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POST-WAR ECONOMIC POLICY IN THE UNITED KINGDOM

I

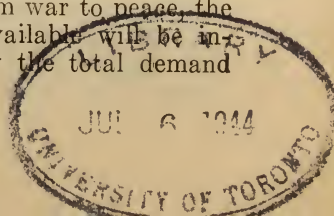
By J. A. LANGLEY, *Canadian Trade Commissioner*

The United Kingdom Government White Paper on employment policy, which has recently been published, establishes a revolutionary principle in accepting as an aim and responsibility of central government policy the maintenance of a high and stable level of employment after the war. It is stated that so long as the total demand for goods and services is maintained at a high level there will be no mass unemployment. In the United Kingdom, however, external no less than internal demand has to be taken into account. The Government, therefore, is seeking to create, through collaboration between the nations, conditions of international trade which will make it possible for all countries to pursue policies

of full employment to their mutual advantage.

If by these means the necessary expansion of external trade can be assured, the Government believes that widespread unemployment can be prevented by a policy of maintaining total internal expenditure.

It is not expected that there will be a general unemployment problem in the years immediately following the end of war in Europe. In this transition period problems will be different. It will be a period of shortages. Though there will be risk of unemployment, due to the dislocation involved in the gradual change from war to peace, the total manpower available will be sufficient to satisfy the total demand



for goods and services. It is likely to be some time before the need arises for putting into operation the long-term policy for averting mass unemployment.

Government policy will be directed toward bringing about conditions favourable to the maintenance of a high level of employment, and some legislation will be required to confer powers needed for that purpose. But the success of the policy will ultimately depend on the understanding and support of the community as a whole and especially on the efforts of employers and workers since, without a rising standard of industrial efficiency, a high level of employment combined with a rising standard of living cannot be achieved.

The government proposals which are now presented have received general approval and will probably form the basis of economic policy in this country in the immediate post-war period. Canadian producers and exporters are directly concerned in so far that the general situation in which trade will require to be conducted will be different from that obtaining before the war. Government regulation of import trade, a system of priorities, and other war-time expedients will almost certainly be a feature of post-war transactions, and business firms in Canada who are interested in the development of trade with the United Kingdom will be affected by the legislation that will be introduced to implement these policies and by the method of their application to particular branches of trade.

International and Industrial Background

The White Paper is concerned with the course which the United Kingdom Government proposes to follow internally in order to maintain the highest possible level of employment. But it is repeated that the level of employment and the standard of living which can be maintained in this country do not depend only upon conditions at home. The United Kingdom must con-

tinue to import from abroad a large proportion of its foodstuffs and raw materials, and to a greater extent than ever before it will have to pay for them by the export of goods and services. For, as the result of two world wars, the nation has had to sacrifice by far the greater part of the foreign investments that it built up over many years when it was the leading creditor country in the world. It will not, therefore, be enough to maintain the volume of prewar exports; they will have to be greatly expanded.

A country that is dependent on exports—relying largely on the export of manufactured goods of high quality—needs prosperity in its oversea markets. This cannot be achieved without effective collaboration among the nations. It is therefore an essential part of the Government's employment policy to co-operate actively with other nations, in the first place for the re-establishment of general economic stability after the shocks of the war and next for the progressive expansion of trade.

The aims of this international co-operation are to promote the beneficial exchange of goods and services between nations, to ensure reasonably stable rates of exchange, and to check the swings in world commodity prices which alternately inflate and destroy the incomes of the primary producers of foodstuffs and raw materials. It will also be necessary to arrange that countries which are faced with temporary difficulties in their balance of payments shall be able both to take exceptional measures to regulate their imports and to call on other nations, as good neighbours, to come to their help, so that their difficulties may be eased without recourse to measures which would permanently arrest the flow of international trade.

Trade Agreements

The Government has already given proof of its intentions. It has signed the Atlantic Charter. It has made a mutual aid agreement with the Gov-

ernment of the United States, one of the chief aims of which is agreed action "directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods." It has also declared its acceptance of the comprehensive recommendations made to the governments and authorities of forty-four nations by the United Nations Conference on Food and Agriculture, held at Hot Springs in 1943, so far as those recommendations are applicable to conditions in the United Kingdom. One of these recommendations recognizes that "the promotion of the full employment of human and material resources, based on sound social and economic policies, is the first condition of a general and progressive increase in production and purchasing power....Progress by individual nations toward a higher standard of living contributes to the solution of broader economic problems, but freedom from want cannot be achieved without effective collaboration among nations."

The United Kingdom Government is considering, with the governments of others of the United Nations, how these general agreements regarding the common ends of international economic policy can best be carried out in practice. For this purpose it is working in close consultation with the governments of the Dominions and of India. The early renewal of the economic strength of the British Commonwealth of Nations and the economic development of its colonial dependencies are among the substantial contributions which can be made to stability in the world's economic order.

Necessity for Industrial Efficiency

While the Government will spare no effort to create, in collaboration with other governments, conditions favourable to the expansion of export trade, it is with industry that the responsibility and initiative must rest for making the most of their opportunities to re-

cover their export markets and to find fresh outlets for their products.

Although there will be special reasons for giving this measure of early priority to the export trades, the need for increased efficiency in industry is in no way limited to those trades. To maintain and improve the standard of living there must be steady progress in the efficiency of industry as a whole. During the war British industry has amply demonstrated its ability to improve the technique of its production, and this improvement must continue if the problems of the post-war years are to be solved. The Government has been considering, as part of its general reconstruction plans, what help it can give to this end. The Chancellor of the Exchequer announced in his budget speech the means by which taxation policy will be adapted to foster the development of industrial research and to facilitate the modernization of industrial plant, machinery and buildings. These important modifications in the incidence of taxation on industry will make a substantial contribution towards industrial recovery after the war and will pave the way for a continuous technical advance throughout British industry.

Transition Period

After the end of the war with Germany, the war with Japan will have first call on manpower and materials. There will, however, be some redistribution of manpower which will release labour for urgent civilian work. At this point there will develop a period of unsettled economic conditions that is likely to last until some time after the end of war with Japan. The plans for this transition period must be extremely flexible.

During the present war, as during the last, unemployment has shrunk to negligible proportions. In April, 1944, the number of unemployed was 75,000, whereas during the years between the wars it varied between one and three millions. The reasons for this improvement are obvious. Steps have

had to be taken to hold demand in check and to prevent a runaway rise of prices by such means as high taxation and encouragement of war savings, rationing of food and clothing, allocation of materials, control over the employment of labour, and direct control of prices.

At the present time there are about 23 million men and women in the armed forces and in gainful employment—an increase of $4\frac{1}{2}$ millions since 1939. There has been an enormous transfer of manpower to the armed forces, civil defence and the munitions industries, and within industry a large change-over from civilian production and services to more direct war needs. Something like 80 per cent of employment in the manufacturing industries is now on government account. During the transition from war to peace these movements will be reversed. There will be both a reduction in the total manpower employed and a substantial movement from the armed forces and war work to civilian production and services. The numbers involved in this change-over may be about 7 millions. For many the transfer will not involve any change of employment; substantial numbers in the munitions industries will be re-employed by the same firms as soon as plants can be turned over to production for civilian needs. But large numbers will have to change their present occupations and their places of employment.

Change-over in Demand

Side by side with the gradual release of this great labour force there will be a vast transformation in the demand for the products of labour. Government expenditure on aircraft, warships, and munitions will naturally contract, although the needs of the armed forces are likely to remain high for a considerable time. On the other hand, the pent-up demand for civilian goods of all kinds will be released. There will be a great need for all the things that were in short supply during the war.

There will be houses to be built, shops to be filled, factories to be transformed, plant and rolling-stock to be replaced, and export trade to be renewed and extended.

If this switch in demand could be immediately matched by a corresponding switch in supply, there would be no need to fear that there would be unemployment in the period immediately after the war. But of course this cannot happen in practice, even though the war against Japan continues after the defeat of Germany and, as a result, there is a more gradual reallocation of labour to civilian tasks. Of the millions of men and women who will have to find new jobs following their release from the armed forces, civil defence and the munitions industries, not all can be released in the areas where the immediate demand for their labour is greatest, nor will all who are released have the special skills to fit them for the peacetime tasks available. Moreover, for a time, shortage of key workers or of particular raw materials or types of equipment may delay the full re-employment of all the labour released. New designs have to be created and approved, factories need to be retooled or reopened, semi-manufactures have to be produced before full manufacture can begin, the skilled labour needed for one set of processes cannot immediately be provided by the release of skilled labour from others. Peacetime production, like that in war time, will necessarily take some time to get fully into its stride.

There will be inherent in the situation a threefold danger: (1) that patches of unemployment may develop where the industrial system fails to adapt itself quickly enough to peacetime production; (2) that demand may outrun supply and create an inflationary rise in prices; (3) that civilian production, when it is resumed, may concentrate on the wrong things from the point of view of national needs.

Government action will be directed to forestall, so far as possible, each of these dangers.

ARGENTINE IMPORTS FROM CANADA*

II

By J. A. STRONG, *Canadian Commercial Attaché*

[In the second paragraph of the first section of this report on Argentine imports from Canada, which appeared in last week's issue, Mr. Strong writes that "Newsprint and the other mass-production papers, wood-pulp, farm implements, certified seed potatoes, Douglas fir lumber, asbestos fibre, calcium carbide, battery parts, mantels and lantern parts, loom needles, wallpaper, fish oil, refractories, ferro-alloys, tool steels, brass valves, steel tubing, copper, watt-meters, whisky, and furs are some of the principal commodities comprising Canadian export trade to Argentina."

It should be noted that Mr. Strong is referring in this list to "normal" trade, not to recent or current wartime trade. Such items as tool steels, steel tubing, copper, and watt-meters are not being currently shipped from Canada to Argentina, and most of them have not been exported thereto since 1940, as shown in the tables of imports accompanying this section of his report.—Ed.]

LUMBER

There has been great activity in the building construction industry during the past ten years in Argentina, which has been an important factor in maintaining the economic structure of the country, since operations depend largely on domestic materials. The industry has been particularly active since the outbreak of the war, owing to the volume of surplus funds available for investment. The Argentine investor prefers real estate or government securities, so that new construction continues at a high level despite the rising costs of materials and the higher land values and the correspondingly reduced yields from this class of investment. The trend has been toward the erection of office buildings and apartment houses, although a large number of private dwellings are also being constructed.

This building construction activity has paralleled a steady decline in imports of lumber. Arrivals of lumber

from North America and Europe have practically stopped, although there has been an increase in the consumption of Parana pine from Brazil. Lumber is little used for building in this country. The climate does not demand a well insulated construction for comfort, although the new office buildings are being air-conditioned. Office buildings and apartment houses are all of reinforced concrete, the latter comprising as many as twenty-eight storeys. Brick, with the inside and outside plastered, is used for walls and partitions. Southern pitch pine from the United States was formerly widely used for parquet flooring, but is now being replaced by local hardwoods which had not previously been used for the purpose. The window-frames are normally of steel but, due to scarcity, this material is being replaced by local woods. Steel was most satisfactory for frames with a rubber or felt strip inserted to prevent draughts. The doors are usually of plywood, which formerly came from Europe; only a small quantity of plywood is made locally now, and some comes from Chile and Brazil. There were large stocks of the European product in the early years of the war.

Argentina has no resources of commercial softwoods except poplar from plantations, which is used for making wood-pulp and boxwood. There are some excellent sub-tropical hardwoods, suitable for furniture and flooring, and quebracho, a very hard wood, is widely used for paving blocks, railway ties and fuel. The extract of quebracho is exported for tanning purposes. The new asbestos-cement industry is an important enterprise. Three large firms produce corrugated sheets, which

* This is the fifth in a series of articles by Mr. Strong on changes in the economy, industry, finances and trade of Argentina during the war or arising from wartime con-

ditions which have been published in consecutive issues of the *Commercial Intelligence Journal* beginning with No. 2105 (June 3, 1943.)

are replacing the now scarce galvanized sheets in construction work, and piping, as a substitute for the also scarce iron and steel piping, for certain purposes. This industry uses asbestos fibre from Canada and Rhodesia and locally manufactured Portland cement.

There is consequently a rather restricted demand for softwood lumber in Argentina. Wooden shingles are not used. Roofing tiles are made locally. It seems questionable whether the former import trade in pitch pine from the United States, amounting to nearly 100 million board feet annually, will be resumed. Argentina purchased between 25 and 35 million feet of Douglas

fir annually besides some white pine, Sitka spruce, hemlock, and some spruce lumber from Europe. This country needs softwood lumber for concrete forms, for platforms for storing grain in bags and for other miscellaneous purposes, so that the pre-war level of imports should be equalled or exceeded in the future. Brazilian pine makes a cheap type of lumber and is suitable for inferior-quality partitions, counters and doors, but it cannot compete under normal conditions with fir or similar woods for specific needs in this country.

Imports of softwood lumber into Argentina in recent years are shown in the following table:

Argentine Imports of Softwood Lumber

	1938	1939	1940	1941	1942	1943
North America—			Figures in Million Ft. B.M.			
Douglas fir:						
Canada	1,720	1,825	67	15,365	2,253	....
United States	26,127	35,146	25,134	12,464	5,619	....
Pacific hemlock	149	....	13	....	....	....
Sitka spruce	176	72	3,343	5,566	1,967	....
California white pine	1,682	2,698	1,235	1,378	1,206	....
California redwood . . . . .	....	38	334	52	90	....
Canadian white pine	18	37	43	73	143	....
Southern pitch pine	70,127	65,800	47,297	26,581	5,111	176
Miscellaneous . . . . .	....	....	....	....	....	78
Brazilian pine	106,574	143,872	109,042	152,930	179,645	158,513
Swedish spruce . . . . .	....	....	....	....	11,142	5,804
Other European	51,280	49,957	14,220	....	....	....
Total	257,853	299,545	200,791	214,409	207,176	164,571

REFRACTORY MATERIALS

Expansion in the Argentine steel and other metal industries has increased the demand for high-temperature refractory materials with a high silicon content and for chrome refractories. The expanded glass and ceramic industries, as well as the Portland cement factories, require more refractory bricks. The glass industry has increased its consumption of soda ash

from 30,000 tons to 40,000 tons annually, and the annual consumption of refractories is in excess of 60,000 tons. Local materials take care of a large part of this demand, but some 15 per cent of the requirements in special grades have to be imported from abroad. Canadian refractories are well favoured and there should be a good demand for them after the war.

The following table shows imports of refractories into Argentina:

Argentine Imports of Refractories

	1938	1939	1940	1941	1942	1943
Refractory blocks—			Figures in Short Tons			
United States	2,653	2,575	3,150	3,287	4,250	3,894
United Kingdom	1,549	1,472	1,925	1,659	2,167	1,888
Canada . . . . .	....	....	93	33	15	....
Brazil . . . . .	....	5	44	46	52	376
Germany	472	70	48	....	....	....
Austria	326	....	....	....	....	....
Sweden	486	70	32	37	34	1,298
Others	221	161	56	....	4	....
Total	5,707	4,353	5,348	5,063	6,522	7,456

	1938	1939	1940	1941	1942	1943
			Figures in Million Ft. B.M.			
Refractory bricks—			Figures in Hundreds			
United States	7,788	14,751	11,379	18,716	20,782	16,673
United Kingdom	28,865	33,406	21,767	14,143	20,807	16,742
Canada .. . . .	....	....	111	230	210	196
Sweden	745	186	20	10	....	309
Others	3,452	1,854	329	386	356	3,177
Total	40,850	50,197	33,606	33,485	42,155	37,097

CALCIUM CARBIDE

There has been a very substantial increase in the consumption of calcium carbide in recent years, due to the expansion of local industries. There has been more repair work as well, since machines and equipment cannot be replaced under current conditions. Local plants produce oxygen gas, but the cal-

cium carbide has to be imported. Imports were down in 1943, although fairly large stocks had been carried in the country. There have been additional arrivals since the end of 1943 of 15,570 drums: from South Africa, 8,120; from Mexico, 4,450; and from Chile, 3,000.

Details of imports in recent years are as follows:

Argentine Imports of Calcium Carbide

	1937	1938	1939	1940	1941	1942	1943
			Figures in Short Tons				
Europe	8,592	7,423	8,082	7,924	1,136	622	....
South Africa .. . . .	....	....	....	....	....	237	....
United States .. . . .	....	....	....	721	5,723	8,373	101
Canada .. . . .	....	....	....	1,697	1,100	2,354	1,888
Brazil .. . . .	....	....	127	127	94	227	....
Japan	2,415	1,120	....	63	....	....	....
Chile	12	....	....	....	192	250	805
Mexico .. . . .	....	....	....	200	....	140	140
Total	11,019	8,543	8,209	10,732	8,245	12,203	2,934

FERRO-ALLOYS

Expansion of the Argentine steel industry has brought an increased demand for ferro-manganese, ferro-silicon and other ferro-alloys. This country has steel furnace capacity in operation or under construction to produce nearly 350,000 tons of the normal annual consumption of 600,000 tons of iron and steel. Round iron bars, shapes and castings are important items in current production. Tool steels, galvanized and black seamless pipes and tubes, including strip for the local tub-

ing manufactures, will continue to be imported, as will also shapes and beams in the larger dimensions. Production policy as regards bars and rough steel and iron will not likely be known until after the war. Nevertheless there will be a continued demand for the alloys, and these products are of particular interest to Canada. Brazil was the principal source of supply last year, since supplies were not obtainable in North America.

The trend of imports in recent years is shown in the following table:

Argentine Imports of Ferro-alloys

	1940	1941	1942	1943
Ferro-silicon—		Figures in Short Tons		
Canada	59	304	963	....
United States	400	206	75	....
Sweden .. . . .	....	59	....	177
Norway	67	....	....	....
Brazil .. . . .	....	....	409	1,258
Total	526	569	1,447	1,435

Argentine Imports of Ferro-alloys—Con.

	1940	1941	1942	1943
Ferro-manganese—	Figures in Short Tons			
Brazil.. . . .	n.a.	137	632	1,925
Canada.. . . .	n.a.	25	489	....
United States.. . . .	n.a.	364	161	....
Total.. . . .	....	526	1,282	1,925

COPPER AND BRASS

In 1938 Argentina imported 7,500 tons of copper and brass manufactures and 4,800 tons of electrolytic copper in ingots. Last year the imports of copper and brass manufactures were down to 2,600 tons, and the figure for ingots had reached 11,000 tons. The local manufacture of copper wire, including heavy cables for electrical power transmission and fine enamelled wire for winding motors, tubes and other copper and brass manufactures, has been

expanded to take care of most of the essential needs of this country.

This was an important trade with the United Kingdom in pre-war years, particularly in heavy lead-covered cables and other wire. It is unlikely that local industry will hold all this business after the war, although it may retain a fair proportion of it. High-quality brass valves, which are of particular interest to Canada, heavy cables and fine enamel wire will probably be again imported.

The following table shows imports in recent years:

Argentine Imports of Electrolytic Copper and Brass Ingots

	1938	1939	1940	1941	1942	1943
Copper ingots—	Figures in Short Tons					
United States	2,798	1,199	4,133	1,134	51	7
United Kingdom	613	1,240	73	101	....	....
Belgium	742	1,556	7	....	....	....
Chile	595	788	2,083	6,911	11,337	5,246
Other	40	31	10	....	....	....
Total	4,788	4,814	6,306	8,146	11,388	5,253
Brass ingots, etc.—						
Brazil .. . . .	....	....	4	14	....	....
United States	11	24	248	130	27	10
United Kingdom	495	922	220	82	6	13
Chile	179	138	723	8	408	68
Other	643	814	59	6	....	....
Total	1,328	1,898	1,254	240	441	91

BRONZE POWDER

Supplying bronze powder was a German monopoly in this market before the war; the trade has gone to Cana-

dian and American firms since 1940. This is a new business which should continue after the war. The following table shows imports for the years 1938 to 1943:

Argentine Imports of Bronze Powder

	1938	1939	1940	1941	1942	1943
	Figures in Cwts.					
Germany	490	859	26	....	....	....
Canada .. . . .	....	....	20	346	192	330
United States.. . . .	2	3	510	666	398	....
Brazil .. . . .	....	....	34	5	....	....
Japan .. . . .	....	....	22	....	....	....
Others	2	48	12	....	4	....
Total	494	910	624	1,017	594	330

LOOM NEEDLES

Germany dominated this market in loom needles before the war. The great expansion that has taken place in the local textile manufacturing industry in recent years has increased

the consumption requirements of this country. Canadian needles are now well introduced and should hold a large share of this trade after the war. The extent of pre-war and wartime imports are shown in the table below:

Argentine Imports of Loom Needles

	1938	1939	1940	1941	1942	1943
			Figures in Pounds			
Germany	6,741	5,153	728	128	4	....
Canada	1,061	1,916	1,446	917	5,945	8,286
United States	774	1,076	4,057	3,722	1,105	699
United Kingdom	388	227	789	412	476	620
Switzerland	908	1,080	2,838	3,025	1,921	2,236
Others	106	290	254	173	8	9
Total	9,978	9,742	10,112	8,377	9,459	11,850

SHOVELS

Argentina has always imported her requirements in the best quality of shovels. Canada competed mainly

with the United Kingdom in this trade before the war. Any change is unlikely.

Imports were as follows:

Argentine Imports of Fox-type Shovels

	1938	1939	1940	1941	1942	1943
			Figures in Cwts.			
Germany	164	182	....	....	....	....
Canada	3,087	1,952	4,358	4,190	751	....
United States	294	289	418	305	240	172
United Kingdom	7,206	5,541	5,961	3,420	625	....
Spain . . . . .	....	....	....	1,697	....	....
Others	25	1	....	1	1	5
Total	10,776	7,965	10,737	9,613	1,617	177

LAMPS AND LANTERNS

Canada is an important supplier of the various products of this industry to Latin American countries. It is a highly specialized line. There is a local manufacturing industry, but special products, quality and an aggressive

sales organization permit competition. The import figures, shown for the years 1938 to 1943 in the table, are for one of the important products sold in Argentina, this particular line having been a monopoly of German suppliers before the war.

Argentine Imports of Incandescent Mantels

	1938	1939	1940	1941	1942	1943
			Figures in Hundreds			
Germany	10,988	7,853	1,210	....	910	....
United Kingdom	1,481	251	9,522	9,148	6,826	7,575
United States	360	580	3,448	3,608	8,115	4,305
Canada	13	1,468	4,228	1,138	8,244	3,453
Sweden	599	1,867	194	747	800	52
Other	52	105	95	32	....	....
Total	13,493	12,124	18,697	14,673	24,895	15,385

WALLPAPER

In proportion to its population Argentina does not afford a large outlet for wallpapers. New and modern con-

struction of apartment houses and private homes during the past ten years has completely changed the trend in interior decoration from the former heavy French tapestry designs. Lighter

patterns and painted walls in the new dwellings have replaced the Spanish and Italian taste in dark wallpapers brought from Europe.

Germany controlled 75 per cent of the wallpaper trade before the war, the larger proportion being in the cheaper

qualities. The United Kingdom had taken 60 per cent of the trade in 1942, and the remainder was shared by Canada and the United States.

Argentine imports of wallpaper in recent years are shown in the table below.

Argentine Imports of Wallpaper

	1938	1939	1940	1941	1942	1943
			Figures in Cwts.			
Plain	2,667	1,132	2,643	1,340	26	....
Ordinary, coloured	17,781	11,875	13,525	5,170	3,905	555
Gold, silver, etc.	550	527	176	89	116	127
Stamped	20	39	14	6	....	....
Total	21,018	13,573	16,358	6,605	4,047	682

LINOLEUM

Argentine trade in linoleum and similar products has always been dominated by the United Kingdom. Less than 25 per cent of the imports came from other countries, such as the United

States, Holland, Germany and Canada. Linoleum is not widely used in this country for floor covering, but there is a steady demand, as it is not made in Argentina. The following table shows imports in recent years:

Argentine Imports of Linoleum

	1938	1939	1940	1941	1942	1943
			Figures in Cwts.			
Germany	265	650	247	....	....	....
United States	510	724	372	180	345	258
Holland	686	775	249	....	....	....
United Kingdom	6,954	8,227	8,689	7,744	11,884	604
Others	269	113	675	....	5	....
Total	8,684	10,489	10,232	7,924	12,234	862

ELECTRIC WATT-METERS

These meters came from a wide variety of sources before the war, but the trade was mainly in the hands of German and Swiss firms. Canada increased her share in 1940, but wartime

needs precluded further shipments. Switzerland and Sweden were the leading suppliers in 1943. The accompanying table shows the varied sources of pre-war imports and the large increase in 1943:

Argentine Imports of Electric Watt-meters

	1938	1939	1940	1941	1942	1943
			Figures in Units			
Germany	10,692	28,589	2,968	2,181	552	....
Austria	4,087	....	....	....	....	....
Belgium	1,230	1,750	3,242	3,500	2,460	....
Canada	1,500	1,500	8,501	....	....	....
Denmark	1,200	3,056	243	....	....	....
United States	1,560	1,179	1,581	2,208	622	57
France	21	1,553	10,556	1	....	....
Italy	543	53	2	....	....	....
United Kingdom	587	10,968	1,266	1,480	130	8
Sweden	2,907	1,529	1,751	7,226	6,998	10,304
Switzerland	7,593	16,092	20,835	17,571	37,138	73,284
Other	164	94	51	1	2	....
Total	32,084	66,363	50,996	34,168	47,902	83,653

FURS

The feature of the fur trade is the transfer of local purchases from London to New York since 1940. Norway had a small direct business in ranch-bred silver fox skins before the war, but the market was dominated by London. There has been a good demand for raw pelts direct from Canada, as well as via New York, during the past three years. In pre-war years Canadian furs reached this market via London.

There is a heavy demand for furs in Argentina. Money is plentiful, and the wealthier group is prepared to invest in furs at this time despite higher prices. Furs are a luxury or semi-luxury rather than a necessity in this climate. Consequently neck-pieces and light-weight short coats are in demand rather than the heavier fur coats required in Canada. The furs are all imported raw and are prepared and made-up by the local fur industry.

Imports in recent years are shown in the following table:

Argentine Imports of Furs

	1938	1939	1940	1941	1942	1943
	Figures in Cwts.					
United Kingdom	603	377	333	369	141	86
United States	4	2	18	129	672	724
Canada	1	....	....	....	25	55
Russia	1	....	....	....	4	3
South Africa	1	1	....	....	....	138
Japan . . . . .	....	....	....	81	....	....
Sweden	6	3	2	....	40	12
Norway	32	50	84	....	....	....
Others	67	203	209	42	97	226
Total	715	636	646	621	979	1,244

DECENTRALIZATION PLAN FOR EXPORTS TO LATIN AMERICAN COUNTRIES FURTHER SIMPLIFIED

An announcement under the above title, published in *Commercial Intelligence Journal* No. 2097 (April 8, 1944), forecast still further modifications in the decentralization plan in the early future. These modifications have already been put into operation with respect to Brazil, Cuba, and Mexico, and, as from July 1, 1944, will apply to exports to all the other Latin American countries except Argentina, Bolivia, Chile, and Venezuela. It is expected that some of the latter countries will

soon be included in the modified plan, which eliminates the requirement of import recommendations for most commodities of interest to Canadian exporters. A short list has been prepared of the commodities for which import recommendations are still required, and exporters may ascertain the status of the products in which they are interested by addressing inquiries to the Export Permit Branch, Department of Trade and Commerce, Ottawa.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WARTIME FOOD SHIPMENTS

From September, 1939, to December 31, 1943, Australia exported food valued at £242,461,000, according to the Department of Information, Canberra. Shipments to the United King-

dom accounted for £129,527,000 of the total. The quantities of the principal foodstuffs exported to all destinations were: butter, 338,046 tons; cheese, 67,186 tons; fruit, fresh, dried or liquid, 382,407 tons; meat of all kinds, 967,459 tons; jams and jellies, 60,982 tons; sugar, 10,530 tons; eggs, in shell or powdered, 2,933 tons.

Chile

FOREIGN TRADE IN 1943

Preliminary official returns of Chile's foreign trade in 1943 show little change from 1942. Total exports were valued at 867,200,000 pesos, showing a rise of 0.5 per cent, and imports at 636,300,000 pesos, an increase of 2.4 per cent. The excess of exports over imports at 230,900,000 pesos compared with 241,300,000 pesos in 1942.

Excluding shipments of nitrate and iodine (which the official statistics do not classify under countries) approximately 80 per cent of exports by value went to the United States, about 17 per cent to Latin America, and 3 per cent to Great Britain, Sweden and Switzerland. Imports from Latin American countries, principally Argentina, Brazil and Peru, accounted for more than 50 per cent of the total value of imports, while purchases from the United States formed 37 per cent.

Egypt

MIDDLE EAST CONFERENCE

Experts representing eleven Middle East Governments, with representatives of the British, United States and French Treasuries, the administration of occupied territories, and the Economic and Financial Department of the League of Nations, recently held a six-day conference in Cairo at which financial problems were principally discussed. According to *The African World* the conference drew up a series of resolutions outlining the steps which it was suggested the Middle East governments should take to prevent the spread of inflation now and at the close of the war. It recommended that the development of production should also be an objective of the Middle East governments, so that price levels in the respective countries may be brought into better equilibrium with each other and with those of other countries, and trade be thus facilitated.

India

WHEAT CROP FORECAST

The second forecast of the Indian wheat crop, appearing in the *Indian*

Trade Journal of April 20, 1944, estimated the total area sown at 33,275,000 acres as against 34,324,000 acres at the corresponding date of last year, or a decrease of 3 per cent. This forecast is based on reports from provinces and states comprising 98 per cent of the total wheat acreage in India. The condition of the crop was reported to be good on the whole.

Exports of wheat from India by sea to foreign countries totalled 185,900 tons in 1941-42, the latest year for which figures were available, as compared with 45,000 tons in 1940-41 and 7,800 tons in 1939-40. Imports in 1941-42 amounted to 18,100 tons as compared with 18,800 tons in 1940-41, and 85,500 tons in 1939-40.

Kenya

DRIED VEGETABLES FOR MIDDLE EAST FORCES

Kenya's dehydrated vegetable industry now gives employment to more than 15,000 people. Nearly 10,000 African farmers are getting good returns from their vegetable plots by selling to the factories, and during the last long rains the best plots gave an average of £18 10s. each. The factories employ 5,000 African workers, 30 Asians and 30 Europeans.

The two main factories play an important part in supplying dried vegetables to the Middle East Forces, and further expansion can be expected when the hydro-electric plant to utilize the waterfalls of the Sagani River is completed at Karatina.—From *The African World*.

Mexico

ECONOMIC CONDITIONS

Reports on business conditions in Mexico record continuing favourable trends of industry, with principal manufacturing plants operating full time or on extra-shift basis. Mining is also active; but agricultural conditions are variable, with crop damage by floods and frosts in some districts, particularly to vegetables grown for United States markets. The yield of wheat is expected to be less than the

preceding crop, which was small, and imports will probably be substantially larger.

Exports during 1943 were 54 per cent higher in value than in 1942, according to preliminary reports. Shipments of minerals set a new record, but owing to the general rise represented a smaller proportion of the total.

Imports increased 11 per cent in value over 1942.

Venezuela

IMPORTS OF FLOUR, CEMENT, STEEL AND PAPER

Imports of flour, cement, steel and paper into Venezuela during the first

four months of 1944, reports the Acting Canadian Trade Commissioner at Bogota, reached the following totals: flour, 420,175 sacks; cement, 500,763 sacks; steel, 17,763,405 kilos; paper, 2,381,350 kilos. The monthly figures show a progressive increase in flour imports from 73,982 sacks in January to 150,749 sacks in April, and a marked increase in steel imports from 1,020,041 kilos in January to 2,949,224 in February, 7,901,835 in March and 5,886,322 kilos in April. Paper imports by months were: January, 544,812 kilos; February, 628,700; March, 730,795; April, 477,043 kilos; while those of cement were highest in February at 223,616 sacks and lowest in April at 83,129 sacks.

SOUTH AMERICAN STATES SHOW RECORD TRADE BALANCES

From the British Export Gazette

Official trade figures for the complete year 1943 are now available from the principal South American countries. These reveal the same trend as in previous wartime years, namely, a fall in imports, on the one hand, due to restrictions in the chief supplying countries, the U.S.A. and Great Britain, and on the other, buoyant export trade, due to the demand by the Allied Nations for strategic and other essential materials. The net result is the establishment of record high favourable balances of trade, mainly in dollars and sterling, which are more or less blocked in New York or London and will be available to satisfy the enormous pent-up demand for imported goods as soon as North American and British manufacturers are in a position to supply them.

Argentina

Argentina's favourable trade balance, aggregated for the complete year, is no less than 1,242,000,000 pesos (£73,000,000 sterling) against 515,000,000 pesos (£30,000,000) in 1942. Pastoral products have replaced grain as the chief economic prop, shipments of meat being now the leading item, while those of hides, skins, and wool together ex-

ceeded the combined value of wheat and linseed shipments. Also, with increasing industrialization, exports included large quantities of manufactured products, which have a higher value in relation to weight than the country's staple exports, chief among them being textiles; foodstuffs, drink and tobacco; chemicals, oils, paints, etc.; iron and steel and manufactures; pottery, earthenware and glass; and machinery and vehicles. Compared with the rise in aggregate value of exports in 1943 of about 22 per cent to 2,184 million pesos, that of imports fell by 26 per cent to 942 million pesos (mainly due to export restrictions in the United Kingdom and the United States) and affected all the principal import lines. A somewhat surprising fact was that, probably due to large imports towards the end of 1943 of textiles from Brazil, that country rose to first place among suppliers to Argentina, a position which had been held by the United Kingdom during the first eleven months of 1943 and by the United States in 1942. The United Kingdom and the United States, however, continued to figure as the chief markets for Argentine exports, and between them took 55 per cent of

total shipments, followed by the Union of South Africa with 7 per cent.

The total volume and market values of Argentina's principal import lines in 1943 compared as follows with those in 1942, given in parentheses:—textiles, 63,100 metric tons (105,000), value 223,771,000 pesos (320,390,000); chemicals, oils and paints, 201,000 tons (169,000), value 106,897,000 pesos (140,030,000); timber and manufactures, 400,000 tons (469,000), value 98,534,000 pesos (107,498,000); fuel and lubricants, 1,068,000 tons (1,550,000), value 90,002,000 pesos (109,564,000); paper, cardboard, etc., 146,000 tons (156,000), value 89,793,000 pesos (98,422,000); foodstuffs, 166,000 tons (192,000), value 67,270,000 pesos (74,652,000); iron, steel and manufactures, 76,200 tons (127,000), value 56,640,000 pesos (87,834,000); non-ferrous metals and manufactures, 50,300 tons (99,300), value 43,962,000 pesos (80,378,000); pottery, glass, earthenware, etc., 1,482,000 tons (1,557,000), value 40,957,000 pesos (44,909,000); machinery and vehicles, 15,600 tons (41,000), value 37,311,000 pesos (94,911,000); tobacco and beverages, 12,100 tons (11,500), value 25,322,000 pesos (21,462,000); rubber and manufactures, 942 tons (4,432), value 5,556,000 pesos (11,106,000).

Uruguay

Like Argentina, the Republic of Uruguay has continued to benefit by large Allied demand for pastoral products, particularly meat, wool and hides. The supply of exchange has increased, which is not surprising in view of the fact that the trade balance over the year 1943 was favourable to the extent of U.S.\$36,214,000 against an adverse balance of U.S.\$5,887,000 in 1943. Imports were virtually unchanged at U.S.\$63,807,000, but exports rose to U.S.\$100,021,000 from U.S.\$57,775,000. Principal imports in 1943 were as follows, the 1942 figures being added in parentheses:—raw materials, 131,923 tons, value U.S.\$17,944,000 (134,575 tons, value U.S.\$18,800,000); fuels and lubricants, 738,674 tons, value U.S.\$14,-

736,000 (492,840 tons, value U.S.\$11,192,000); drapery and haberdashery, 2,191 tons, value U.S.\$5,810,000 (3,467 tons, value U.S.\$8,187,000); groceries and foodstuffs, 104,934 tons, value U.S.\$8,343,000 (124,152 tons, value U.S.\$7,308,000); building materials, 103,765 tons, value U.S.\$5,196,000 (97,332 tons, value U.S.\$3,603,000); general machinery and spare parts, value U.S.\$2,238,000 (U.S.\$3,294,000); motor vehicles, value U.S.\$575,000 (U.S.\$1,966,000); ironmongery in general, 1,647 tons, value U.S.\$1,029,000 (5,587 tons, value U.S.\$1,738,000). It should be noted that the physical volume of imports, where given, is only approximate, as certain articles grouped under a general classification are recorded in units only.

The main geographical distribution of Uruguay's foreign trade in the year 1943, with the comparable figures for 1942 given in parentheses, are as follows: Imports from the United States, U.S.\$16,095,000 (U.S.\$20,069,000); Brazil, U.S.\$11,187,000 (U.S.\$9,963,000); Great Britain, U.S.\$6,538,000 (U.S.\$8,341,000); Argentina, U.S.\$10,513,000 (U.S.\$6,523,000). Exports to the United States, U.S.\$54,081,000 (U.S.\$25,017,000); Great Britain, U.S.\$32,980,000 (U.S.\$18,031,000); Sweden, U.S.\$2,780,000 (U.S.\$6,447,000); Brazil, U.S.\$1,854,000 (U.S.\$1,663,000); Argentina, U.S.\$2,493,000 (U.S.\$1,561,000); South Africa U.S.\$2,038,000 (U.S.\$1,832,000).

Brazil

For security reasons, detailed statistics of Brazil's oversea trade are not published, but she is benefiting exceptionally from North American demand for a wide and increasing number of products at remunerative prices. It is known that the favourable trade balance for January-November, 1943, amounted to Cr\$2,336,000,000 (say £30,000,000 sterling). Details of the principal groups of exports and imports for the eleven-month period are as follows: Exports, foodstuffs valued at over Cr\$3,450,000,000, consisting

mainly of coffee (Cr\$2,547,000,000), meat and meat products (Cr\$437,000,000), cocoa (Cr\$292,000,000) and rice (Cr\$175,000,000); raw materials, value over Cr\$2,000,000,000, mainly hides and skins, rock crystal, pinewood, carnauba wax, castor-seed, rubber, and diamonds; manufactures, value Cr\$1,516,000,000, mainly cotton textiles (Cr\$1,000,000,000) and tires and inner tubes (Cr\$157,000,000); Imports: manufactures, value over Cr\$2,000,000,000, raw materials, value Cr\$1,690,000,000, foodstuffs, value Cr\$935,000,000, mainly wheat (Cr\$691,000,000). The main geographical distribution of Brazil's foreign trade for January-November, 1943, was approximately as follows: Exports to the U.S.A., Cr\$4,000,000,000; Great Britain, Cr\$1,000,000,000; Argentina, Cr\$709,000,000; South Africa, Cr\$600,000,000; and Sweden, Cr\$225,000,000. Imports from the U.S.A., Cr\$3,000,000,000; Great Britain, Cr\$397,000,000; Argentina, Cr\$909,000,000; and South Africa, Cr\$67,000,000.

Peru

The aggregate turnover of Peru's foreign trade in 1943 was the highest recorded in the country's history. Compared with 1942, the volume of imports in 1943 decreased by about 2 per cent to 380,180 tons, but the value increased by over 32 per cent to 449,366,000 soles. The volume of exports was virtually unchanged—mainly due to lack of shipping space—and the value was lower by 7 per cent at 460,318,000 soles. The recorded favourable balance in 1943 was therefore lower at 10,952,000 soles against 156,270,000 soles, but the fact that foreign trade is more evenly balanced than in most South American countries has led to the avoidance of undue inflation and other currency problems. In fact, the foreign exchange market has remained uncontrolled for several years past.

Peru's exports are mainly cotton, copper, petroleum and many other agricultural and mining products, for which there is active demand at good prices. Great Britain takes most of the cotton. The values of the principal

import lines in 1943, with the 1942 figures added in parentheses, were as follows: machinery and vehicles, 63,554,817 soles (54,689,000); textiles, 72,889,948 soles (53,933,406); foodstuffs, 55,823,881 soles (46,828,761); chemical products, 50,268,164 soles (35,970,880); metals, etc., 45,087,244 soles (33,040,251); paints and oils, 28,008,425 soles (23,975,432); paper and stationery, 17,848,820 soles (17,939,698); electrical materials, 13,425,992 soles (10,881,192); timber and manufactures, 12,733,799 soles (8,526,595); pottery, glassware, etc., 10,438,600 soles (7,247,680); arms and ammunition, 5,822,532 soles (6,315,681); hardware, 9,913,546 soles (6,017,425); leather, 4,376,526 soles (1,889,877). The main geographical distribution of Peru's foreign trade during the year 1943, with the 1942 figures shown in parentheses, was as follows: Imports from the U.S.A., 253,558,000 soles (189,266,000); Argentina, 62,679,000 soles (42,262,000); Brazil, 35,655,000 soles (13,063,000); Great Britain, 26,902,000 soles (18,611,000); Chile, 23,595,000 soles (17,077,000); British India, 10,027,000 soles (15,876,000); Australia, 7,520,000 soles (14,000); Canada, 6,300,000 soles (9,032,000); Switzerland, 6,062,000 soles (4,420,000). Exports to the U.S.A., 195,584,000 soles (198,683,000); Chile, 103,019,000 soles (132,722,000); Great Britain, 42,888,000 soles (28,248,000); Australia, 24,692,000 soles (20,193,000); Bolivia, 19,399,000 soles (24,616,000); Uruguay, 14,498,000 soles (14,274,000); New Zealand, 8,818,000 soles (26,034,000); Argentina, 7,611,000 soles (4,359,000); Brazil, 7,222,000 soles (2,153,000).

Chile

Detailed figures of Chile's foreign trade in 1943 are not yet available, but preliminary returns show that, through sustained shipments of nitrate, etc. to the U.S.A., the movement was at the same satisfactory level as in 1942. The aggregate value of exports, at 867,200,000 pesos (of 6d. gold), rose by 0.5 per cent, whilst imports, which

totalled 636,300,000 pesos (of 6d. gold) increased by 2.4 per cent, so that the recorded—but not fully effective—favourable balance of trade was 230,900,000 pesos compared with 241,300,000 pesos in 1942. With regard to the geographical distribution of Chile's foreign trade, the same tendencies observable in 1942 also prevailed in 1943. Excluding shipments of nitrate and iodine (which are not classified under countries in the official statistics), approximately 80 per cent of exports by value went to the U.S.A. and about 17 per cent to Latin-American countries, whilst barely 3 per cent went to European countries (Great Britain, Switzerland and Sweden). The value of imports from the United States in 1943 represented 37 per cent of the total, whilst purchases from Latin-American countries (notably Peru, Argentina and Brazil) increased to more than 50 per cent of the total.

Conditions in the Central American countries are very buoyant because of North American demand for coffee and an increasing number of other products. Exemplifying the general position of these countries, Colombia's international balance of payments in the year 1943 was favourable to the extent of U.S.\$58,000,000.

In view of the position shown by the foregoing statistics, it is not surprising that the U.S. Department of Commerce has announced that at end-1943 Latin-American countries held substantially more than 2,000 million dollars in gold and foreign exchange, largely in dollars. The potential post-war purchasing power represented by these enormous balances is an index to the bright prospects for South American trade once this can again move freely. Realization of the possibilities was doubtless a major factor influencing the wise decision to raise many South American Legations in London to the status of Embassy, and vice versa in regard to British Legations in South America.

Canadian Merchant Ships

DESIGNATED ESSENTIAL WAR SERVICES

The services of Canadian merchant ships carrying mutual aid or lend-lease cargo from any port in Canada or the United States to a country in receipt of Mutual Aid have been designated as services essential to the conduct of the war or to the relief and maintenance of a United Nation, by a recent Order in Council (P.C. 4393). This designation is deemed to have been effective from June 1, 1944.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 95, effective June 26, 1944, the exception from the requirement of an export permit for shipments of specialty cleaning and washing compounds "packaged for retail sale", included in Group 8 (Chemical and Allied Products) of the list of commodities under export control, is cancelled. Henceforth all shipments of these compounds, whether in bulk or packaged form, will require a permit for export from Canada to any destination.

Trinidad

LICENCES FOR IMPORTATION OF CALCIUM CARBIDE

The Trinidad Control Board notified importers on June 5 that licences for the importation of calcium carbide from Canada will now be granted on the basis of 150 per cent of their average imports during the years 1938 and 1939.

Turks and Caicos Islands

TONNAGE TAX LAW RENEWED

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica,

reports that tonnage taxes on merchandise (with stated exceptions) imported into the Turks and Caicos Islands, which are a political dependency of Jamaica, enacted by a law expiring on March 31, have been continued for a further twelve months.

The normal tonnage taxes are: 6d. on packages not exceeding $\frac{1}{2}$ cwt.; 1s. if exceeding $\frac{1}{2}$ cwt. but not 1 cwt.; 2s. if exceeding 1 cwt. but not 4 cwt.; 6d. on each cwt. in addition to 4 cwt.

Republic of Honduras

DUTY ON SULFANILAMIDE PREPARATIONS

Mr. C. S. Bissett, Commercial Secretary at Mexico City, writes that, by a decree of March 17, 1944, a new tariff item was added to the tariff of the Republic of Honduras for sulfanilamide and its derivatives not otherwise provided for in the tariff. The rate of duty on this item is 2 lempiras per kilogram gross weight (about 47 cents Canadian per pound).

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to June 3, 1944:

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to June 3, 1944	
				Quantity	Per Cent
Whole milk.	Gal.	3,000,000 per calendar year	6½ to 3¼c. per gal.	2,319	....
Cream.	Gal.	1,500,000 per calendar year	56% to 28¼oc. per gal.	412	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.	Lb.	15,000,000 per calendar year	2½ to 1¼c. per lb. 75 to 37½c. per 100 lb.	12,331,047	82.2
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1943	75 to 37½c. per 100 lb.	1,040,423	69.3
White or Irish potatoes, other than seed potatoes.	Bu.	1,000,000 beginning Sept. 15, 1943	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	188,331	18.8
Red cedar shingles.	Sq.	2,153,984		612,548	28.4
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1943	50 to 35% ad val.	40,270†	40.2
Tails	Piece	5,000 beginning Dec. 1, 1943	50 to 35% ad val.	2	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries, and for the period May 1 to June 3, 1944, imports totalled 3,423. However, there is no indication in the statement by Treasury Department as to what proportion of these imports were supplied by Canada.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 26, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 26, 1944, and for the week ending Monday, June 19, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 19	Nominal Quotations in Montreal Week ending June 26	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2757	.2757	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.5879	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5446	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART, Acting Trade Commissioner. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.***Mexico**

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Newfoundland

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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FOREIGN TRADE OF INDIA IN 1943

By PAUL SYKES, *Canadian Trade Commissioner*

(One rupee equals approximately \$0.335 Canadian)

In the following report there has been a departure from the former practice of summarizing the principal features of India's foreign trade on a fiscal-year basis. The data herewith are for the calendar year 1943, with comparative figures for 1942.

Attention is again directed to the fact that comparatively few details of India's foreign trade are available. Since 1939-40, official Indian trade returns have shown only the total values of trade with principal countries and of imports and exports of principal commodities or commodity groups.

TOTAL TRADE

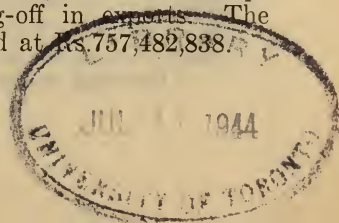
The total value of India's foreign trade during 1943 was Rs.3,071,843,-

531. This figure was slightly less than the 1942 total of Rs.3,285,491,721. Excluding the values of re-exports, the corresponding figures are Rs.2,967,229,-314 and Rs.3,193,663,770.

Import values declined from Rs.1,-137,476,639 in 1942 to Rs.1,104,873,238, while exports of Indian merchandise showed a more marked decrease, from Rs.2,056,187,131 to Rs.1,862,356,076.

BALANCE OF TRADE

The abnormally large favourable trade balance of Rs.918,710,492, established in 1942, showed a considerable decline during the past year as a result of the reasonable maintenance of import values as compared with an appreciable falling-off in exports. The 1943 figure stood at Rs.757,482,838.



TRADE VALUES, 1939 TO 1943

For reference purposes there is given below a table showing the values of imports, exports of Indian merchandise, total trade, and balances of trade for the five calendar years 1939 to 1943. The sharp increase in values during 1940 and 1941, the subsequent decline to less than pre-war levels, and the large increase in the favourable trade balance are noteworthy.

PHYSICAL VOLUME OF TRADE

It has again been impossible to make an accurate estimate of fluctuations in the physical volume of India's foreign trade owing to the lack of unit values of the principal import and export commodities. The suggestion is offered, however, that the trade has undergone some further contraction than is indicated by the foregoing statistics of values owing to a general increase in the cost of production of various staple exports and corresponding appreciation in the prices of many imported goods.

TRADE WITH THE BRITISH EMPIRE

India's trade with the British Empire during 1943 showed several marked changes from the previous year's position. Imports declined in value from Rs.696,813,170 to Rs.523,842,742. These figures represented percentages of 61.3 and 47.4 respectively of the values of imports from all sources and, whereas the former is generally in line with the average of several previous years, the decline in 1943 to less than 50 per cent must be taken as further evidence of the loss of several Empire sources of

supply, increased purchases from various adjacent non-British countries, and the maintenance of severe import restrictions.

In the case of exports to British countries, the value declined from Rs.1,305,366,853 in 1942 to Rs.1,240,832,623 in 1943 but, with a greater rate of decrease in the value of total exports, the percentage of these figures of values of exports to all countries increased from 63.5 to 66.6.

The high degree of commercial interdependence between India and other British countries is further exemplified by a review, as shown in detail in later sections of this report, of the principal sources of supply of India's imports and of her principal export markets. In the former instance, seven of India's ten principal sources of imports are Empire countries, viz., the United Kingdom, Australia, Bahrein, Kenya, Ceylon, Canada, and South Africa. The position with regard to exports is still more striking. Nine out of India's ten leading export markets are British territories, in the following order of importance: United Kingdom, Ceylon, Australia, South Africa, Canada, Aden, Kenya, the Anglo-Egyptian Sudan, and Nigeria.

IMPORT TRADE BY COMMODITIES

The general trend in India's imports during the war years has been towards substantial reductions in purchases of food, drink, and tobacco, a maintenance of even some increase in those of raw and unmanufactured goods, and a decline in those of fully manufactured materials. In the first instance, reduced import values have resulted to a large extent from the falling-off in

Summary of the Foreign Trade of India

	Imports	Exports*	Total Trade*	Balance of Trade
	Millions of Rupees			
1939	1,610,253	1,798,085	3,408,338	+ 187,832
1940	1,632,722	2,085,268	3,717,990	+ 452,546
1941	1,827,880	2,193,304	4,021,184	+ 365,424
1942	1,137,477	2,056,187	3,193,664	+ 918,710
1943	1,104,873	1,862,356	2,967,229	+ 757,483

* Excluding re-exports.

purchases of rice from Burma and other sources. In the raw and unmanufactured materials group there have been substantial increases in imports of mineral oils, raw cotton, various non-metallic mineral products, and raw wool, accompanied by notable declines in the trade in lumber, rubber, seeds, and silk. Still further, the group of fully manufactured goods has shown a general falling-off except in the case

of dyes and colours, cotton machinery, and copper manufactures, the most marked instances including motor vehicles, cotton yarn and manufactures, iron and steel manufactures, other metals and their products, hardware, cutlery, and chemicals.

Following is a brief summary of imports of principal commodities during the calendar years 1942 and 1943:

Imports into India by Principal Commodities

	1942	1943
	Thousands of Rupees	
Oils	237,722	317,684
Raw cotton	111,703	199,306
Coal-tar dyes	42,435	58,386
Chemicals	51,108	38,203
Raw wool	19,993	32,389
Cotton machinery	18,545	20,802
Electrical machinery	20,570	20,004
Drugs and medicines	18,161	16,504
Electrical instruments	15,902	14,953
Paper	18,655	14,690

IMPORT TRADE BY COUNTRIES

There were various interesting features of India's imports from individual countries during 1943 as compared with 1942. Chief among these were large decreases in the values of imports from the United Kingdom, the United States, and Canada, counteracted by substantial increases in purchases from

Iran and Egypt, with smaller figures for Bahrein, Australia, and South Africa. As a result of these fluctuations, Iran displaced the United States as the second most important source of India's imports, while Australia gained fifth position, and Canada fell back to ninth.

Imports from principal countries during 1942 and 1943 were as follows:

Imports into India by Principal Countries

	1942	1943
	Thousands of Rupees	
United Kingdom	338,575	245,285
Iran	145,087	225,229
United States	204,461	175,324
Egypt	38,552	143,377
Australia	35,561	46,884
Bahrein	29,237	43,868
Kenya	36,050	36,582
Ceylon	42,726	35,999
Canada	63,842	29,192
South Africa	23,547	28,950

EXPORT TRADE BY COMMODITIES

The decrease in the values of exports as between 1942 and 1943 of Rs.193,831,055 was due mainly to restrictions imposed on shipments of rice and other grains and on cotton piece-goods but was influenced also by reduced sales to various overseas markets of lac, raw

jute, sugar, cotton twist and yarn, fruits and vegetables, and vegetable oils. There were at the same time substantial increases in the value of exports of jute manufacture, tea, raw cotton, and groundnuts. The general character of Indian export trade, apart from such standard commodities as tea,

jute, cotton and its manufactures, and skins, has undergone many drastic changes during the past few years, and many commodities that were formerly prominent have now been displaced by

others which in pre-war times were of only minor importance.

Statistics of Indian exports of principal commodities during 1942 and 1943 are as follows:

Exports from India by Principal Commodities

	1942	1943
	Thousands of	Rupees
Cotton piece-goods	435,763	372,443
Tea	315,339	332,100
Gunny cloth	228,826	252,239
Gunny bags	183,294	185,958
Raw jute	101,257	73,677
Groundnuts	41,426	70,799
Raw cotton	55,178	51,129
Raw skins	34,944	28,766
Cotton twist and yarn	63,574	28,570
Mica	20,786	23,497

EXPORT TRADE BY COUNTRIES

There were several marked changes in the volume and direction of India's exports during 1943 as compared with 1942. Among the leading markets there was a large decline in shipments to the United Kingdom and smaller reductions in those to the United States, Aden, and Nigeria. On the other hand, exports to Australia increased almost fourfold. There was also a substantial

improvement in the trade with Ceylon, while moderate increases were recorded for Canada, Kenya, the Anglo-Egyptian Sudan, and South Africa. Iraq, Iran, and Arabia, formerly among India's ten leading export markets, have given way to Kenya, the Anglo-Egyptian Sudan, and Nigeria.

Exports to principal markets during 1942 and 1943 are shown in the following table:

Exports from India by Principal Countries

	1942	1943
	Thousands of	Rupees
United Kingdom	632,933	544,072
United States	338,623	329,413
Ceylon	126,988	153,040
Australia	36,026	143,241
South Africa	95,040	103,039
Canada	36,417	50,731
Aden	42,519	39,517
Kenya	29,220	39,152
Anglo-Egyptian Sudan	18,561	27,759
Nigeria	30,613	26,856

SUMMARY

There is little scope for commenting in any detail on the general aspects of India's foreign trade during 1943. The main trends in both imports and exports reflected clearly the incidence of controls both in India and in other countries, the food shortage, the high tempo of production in the cotton industry, and various other of the more striking factors in the internal economic position. It was equally noteworthy that the main fluctuations in

trade with various countries were based on the requirements for raw materials for local industry and the ability of several of these enterprises to extend sales of staple products to Australia and various parts of the African market.

The United Kingdom continues to be India's principal source of supply of imports and the leading export market. The United States occupies second position as a market for Indian products but has been temporarily displaced from the same position in

India's import trade as a result of abnormal trends in recent purchases from Iran. Outside of these main factors, the year's trade has been noteworthy for heavy purchases of cotton from Egypt, a marked decline in imports from Canada, and a general improvement in exports to Australia and vari-

ous divisions of the African market.

Considering India's position as a base for military operations in south-east Asia and the many obstacles in the way of international trade, the results of the year's commercial activities may be regarded as quite satisfactory.

POST-WAR ECONOMIC POLICY IN THE UNITED KINGDOM

II

By J. A. LANGLEY, *Canadian Trade Commissioner in London*

Promotion of Employment

It would be vain to imagine that patches of unemployment can be eliminated altogether in the transition period, but they should not be so widespread or so persistent as is sometimes feared. After the last war the number of ex-servicemen claiming out-of-work donation never rose substantially above 400,000, although demobilization was proceeding at an average rate of nearly 700,000 a month in the first quarter of 1919. The total number of unemployed persons rose to over a million at one time in 1919, but this figure was soon reduced to a low level and remained low until the end of 1920. It is unlikely that the change from war to peace will be even nearly as abrupt this time. The Government is, however, preparing to help reduce resulting unemployment to a minimum by: (1) assisting firms to prepare to switch over their capacity to peacetime production as quickly as possible; (2) finding out in advance where the skilled labour which will gradually become available for civilian work will be most urgently required; (3) arranging, so far as wartime conditions permit, that labour and raw materials will be forthcoming for urgent civilian work and ensuring that the machinery of allocation devised in war time will be adaptable to the special conditions likely to obtain after the end of the war in Europe; (4) arranging, so far as possible, that curtailment of muni-

tions production shall take place in areas where the capacity and labour can be used for civilian products of high priority; (5) arranging that the disposal of surplus government stocks shall not prejudice the re-establishment and development of the normal trade channels for producing and distributing similar goods; (6) regulating the disposal of government factories in such a way as to help towards the early restoration of employment.

The Government is already working out plans in accordance with the foregoing methods, to promote the orderly expansion of peacetime industries throughout the transition period.

Prevention of Inflation

The second danger will come when people relax from the discipline and strain of war and look round for opportunities to spend the money they have saved and make up for their years of self-denial. If there were then a scramble to buy, while there was still a shortage of goods, prices would rise. This would mean an inflationary boom, bringing with it the social injustice and economic disturbance which inevitably accompany inflation.

To restore civilian production, therefore, and to maintain employment, the post-war period must be entered with a firm determination to keep stability in the general level of prices. This cannot be secured by the Government

alone; there must be continued public support for policy on the following lines:

1. Rationing and a measure of price control must be continued for some time. Increases in rations of manufactured goods, such as clothing, will be regulated to correspond with increases in production. The speed at which food rations can be increased and varied will largely depend on the extent to which overseas supplies can be obtained.

2. Price control cannot be effective unless it is accompanied by a stable general level of costs. If all will work together to keep the level of internal costs down, it should be possible to avoid any sharp rise in the cost of living. No undertaking can be given so far in advance to peg the cost-of-living index to any particular figure by government subsidies; for one important factor in the internal price level, i.e., the cost of imports, will depend upon the future level of world prices, which cannot be forecast. But generally, the Government, if supported by the co-operation of all sections of the public, will continue its present policy of providing subsidies to prevent temporary and considerable rises in the cost of living.

3. The habit of saving must still be encouraged. Unless people are still prepared to go on putting aside some part of their earnings as savings instead of spending them on consumption goods, labour and capacity which are needed for schemes of post-war reconstruction and social development will have to be diverted to increasing the supplies of consumption goods.

4. The use of capital will have to be controlled to the extent necessary to regulate the flow and direction of investment. Heavy arrears of capital expenditure on buildings, plant and equipment have to be overtaken, and construction on new development must begin. Without control, therefore, there would be a scramble

to borrow, leading to a steep rise in rates of interest. The Government is determined to avoid dear money for these urgent reconstruction needs. In this period, therefore, access to the capital market will have to be controlled in order to ensure the proper priorities.

It cannot be expected that the public, after years of wartime restrictions, will find these proposals altogether palatable, and the United Kingdom Government has no intention of maintaining wartime restrictions for restrictions' sake. But it is resolved that, so long as supplies are abnormally short, the most urgent needs shall be met first. Without some of the existing controls, this could not be achieved; prices would rise and the limited supplies would go not to those whose need was the greatest but to those able to pay the highest price. The Government is confident that the public will continue to give, for as long as is necessary, the same wholehearted support to the policy of "fair shares" that it has given in war time.

Retention of Controls

The third danger is that production of unessential goods may interfere with the production of essentials. In order to direct the efforts of industry towards the right tasks in the right order, it will be necessary to establish certain broad priorities and to enforce them for a time by means of the issue of licences, the allocation of raw materials, and some measure of control over the labour and staff required for industry. There are three main reasons why this must be done:

1. During the war the United Kingdom has obtained a large proportion of its imports, first by the sale of its foreign assets and later by lend-lease or on credit. This process cannot continue indefinitely and, if the United Kingdom is to be able to buy the imported food and raw materials needed to maintain the standard of life, export trade

must be expanded. An export drive is thus of paramount importance, and home demand, whether for consumption goods or capital expenditure, must not be allowed to divert the resources needed for exports.

2. Production for the home market must be directed in the first place towards the necessities of civilian life and, until these primary needs are met, resources which could be applied to meet them should not be diverted to the production of luxuries for home consumption.

3. Production of the capital goods needed to restart and re-equip industry at the highest pitch of efficiency must be rapidly expanded.

It is not yet possible to forecast the length of the transition period during which the prevailing tendency will be for demand to outrun supply. The need to maintain large armed forces may prolong this period considerably and, although the most vexatious controls be relaxed, the main problem for a considerable time to come may be not to avert mass unemployment but to secure with a limited labour force an adequate production of the goods needed to improve the standard of living and to increase exports. The immediate difficulties for external trade will be serious. The United Kingdom may be struggling to restore its exports while it is still at war with Japan and liable to provide help for the liberated territories. It will therefore be necessary during this period to regulate imports and to manage exchange resources with great care.

On the other hand, the recuperative powers of modern productive technique are very strong. Under favourable external conditions it may not be long before production becomes adequate to meet the various calls upon it. When that happens, the first aim of employment policy—the maintenance of an adequate level of expenditure on goods and services—will no longer be realized automatically, as a by-product of the war effort or of reconstruction, but will call for the application of a policy deliberately directed to that end.

Balanced Distribution of Industry and Labour

The White Paper describes the measures which the United Kingdom Government will take to check the development of localized unemployment in particular industries and areas, which was a regrettable feature of the United Kingdom economic situation in the inter-war period. These measures will, briefly, take three different directions: (1) by so influencing the location of new enterprises as to diversify the industrial composition of areas which are particularly vulnerable to unemployment; (2) by removing obstacles to the transfer of workers from one area to another and from one occupation to another; and (3) by providing training facilities to fit workers from declining industries for jobs in expanding industries.

In other words it will be an object of government policy to secure a balanced industrial development in districts which in the past have been unduly dependent on industries especially vulnerable to unemployment.

General Conditions of a High and Stable Level of Employment

In the transition period employment policy will be primarily concerned with the transfer of men and women to peacetime jobs. But however smoothly this transition can be made, and however rapid may be the return to normal conditions, there will still remain for treatment those long-term problems connected with the maintenance of an adequate and steady volume of employment, which eluded solution before the war.

Throughout the period 1858-1938 there was a fairly regular cycle of unemployment—evidence of instability in the economic system. And the average level of unemployment after the war of 1914-18 was, on account of the special and continuing problems of the export trades, higher than in the period before 1914.

If these features which have afflicted the economic life in the past are to be

banished, as it is the resolve to banish them, from the future, three essential conditions must be satisfied: (1) total expenditure on goods and services must be prevented from falling to a level where general unemployment appears; (2) The level of prices and wages must be kept reasonably stable; and (3) There must be a sufficient mobility of workers between occupations and localities.

Sustaining Purchasing Power

Assuming a given level of wages and prices, and full mobility of labour, workers will lose or fail to find employment because there is not a sufficiently large expenditure on the goods and services which they might produce. If more money is spent on goods and services, then more money will be paid out as wages, and more people will be employed. Thus the first step in a policy of maintaining general employment must be to prevent total expenditure from falling away. Once it is allowed to do so, a minor decline may rapidly gather momentum and take on the proportions of a major depression. A corrective applied then may possibly arrest the whole decline; once the decline has spread and gathered momentum, interventions on a much greater scale would be required, and at that stage might not be effective.

The Government is prepared to accept in future the responsibility for taking action at the earliest possible stage to arrest a threatened slump. This involves a new approach and a new responsibility for the State. It was at one time believed that every trade depression would automatically bring its own corrective; since prices and wages would fall, the fall in prices would bring about an increase in demand, and employment would thus be restored. Experience has shown, however, that under modern conditions this process of self-recovery, if effective at all, is likely to be extremely prolonged and to be accompanied by widespread distress, particularly in complex industrial society.

In these conditions the United Kingdom Government proposes to maintain total expenditure, the constituent parts of which, in a country which could ignore the outside world, would be four in number:

1. Private consumption expenditure: private expenditure on food, clothing, rent, amusements, etc.

2. Public expenditure on current services: expenditure by public authorities on education, medical services, national defence, etc.

3. Private investment expenditure: private capital expenditure on buildings, machinery and other durable equipment and on additions to goods in stock.

4. Public investment expenditure: capital expenditure on buildings, machinery, roads and other durable equipment by the Central Government, local authorities, or public utilities.

It is pointed out, however, that in a community linked with the outside world some expenditure (i.e. that upon imports) does not directly lead to employment at home, while some employment at home (i.e. labour engaged in making things for export) arises out of the expenditure of people in other countries. It is convenient to allow for these facts by adding a fifth item (which may of course be a minus quantity) to the list of the constituents of total expenditure, namely:

5. The foreign balance: the difference between exports (visible and invisible) and imports (visible and invisible.)

Expenditure on private consumption is perhaps the element least liable to sudden and spontaneous variation; for, so long as people's incomes do not greatly change, their habits of buying are likely to remain much the same. Public expenditure on current services, including national defence, will also be fairly constant as a rule, unless the Government decides as an act of deliberate policy to vary expenditure on

some items in order to compensate for swings in other parts of total national expenditure. Public capital expenditure has in the past fluctuated considerably, largely because public authorities have often taken the view that in a period of depression, when their revenue was precarious, economy on capital expenditure was the right policy.

It is, however, in the two remaining components of total expenditure—private expenditure on capital equipment and the foreign balance—that spontaneous variations are likely to be greatest and at the same time most difficult to control.

In the majority of highly industrialized communities it is expenditure on private investment that is the most usual and most potent cause of instability in total expenditure and consequently in employment. But the United Kingdom, because of the relative importance of its export trade, which before the war provided employment for about one and three-quarter million persons, is also particularly subject to fluctuations in employment arising from fluctuations in international trade. In 1929, for instance, the depression in British industry was transmitted to this country from abroad.

The most serious obstacles to the maintenance of total expenditure, therefore, lie in these highly inconvenient facts:

First, those elements in total expenditure which are likely to fluctuate most—private investment and the foreign balance—happen also to be the elements which are most difficult to control.

Second, an increase in one part of total expenditure can only within limits offset a decrease in another.

The guiding principles of the Government's policy in maintaining total expenditure will be as follows:

1. To avoid an unfavourable foreign balance, the United Kingdom must export much more than it did before the war.

2. Everything possible must be done to limit dangerous swings in expenditure on private investment, although success in this field may be particularly difficult to achieve.

3. Public investment, both in timing and in volume, must be carefully planned to offset unavoidable fluctuations in private investment.

4. The authorities must be ready to check and reverse the decline in expenditure on consumers' goods, which normally follows as a secondary reaction to a falling-off in private investment.

Price and Wage Stability

Action taken by the United Kingdom Government to maintain expenditure will be fruitless unless wages and prices are kept reasonably stable. This does not mean that every wage rate must remain fixed at a particular level; there must always be room for the adjustment of wages and conditions—e.g., on account of changes in the form, method and volume of production.

Stability of wages and stability of prices are inextricably connected. If the general level of wage rates rises and there is a corresponding increase in prices of goods for civilian consumption, the individual wage-earner will be no better off, and there may be no increase in the total amount of employment available.

The Government proposes to take action with a view to stabilizing prices. If, however, the cost of living is thus kept stable, it must be regarded as the duty of both sides of industry to consider together all possible means of preventing a rise in the costs of production and distribution, so avoiding the rise in prices, which is the initial step in the inflationary process.

Workers must examine their trade practices and customs to ensure that they do not constitute a serious impediment to an expansionist economy and so defeat the object of a full employment program.

Employers, too, must seek in larger output rather than higher prices the reward of enterprise and good management. There has been a growing tendency in recent years towards combines and towards agreements, both national and international, by which manufacturers have sought to control prices and output, to divide markets, and to fix conditions of sale. Such agreements or combines do not neces-

sarily operate against the public interest, but the power to do so is there. The United Kingdom Government will therefore seek powers to inform themselves of the extent and effect of restrictive agreements and of the activities of combines, and to take appropriate action to check practices which may bring advantages to sectional producing interests but work to the detriment of the country as a whole.

SHIPPING PROCEDURE TO SOUTH AND EAST AFRICA

The Canadian Shipping Board announces that the procedure covering shipping to South and East Africa has been relaxed to the extent that shippers may henceforth apply directly to the shipping companies concerned for space, after having obtained necessary licences. This is in line with similar action taken by the British Ministry of War Transport and the United States War Shipping Administration.

No increase in the ship tonnage to these areas is contemplated for the present but, while, under the new procedure, shippers must continue to obtain releases from the supply or purchasing missions concerned, there may be occasions when, in order to make the most effective use of vessel space, some lower priority commodities may be accepted by shipping lines without interfering with the movement of higher priority cargoes.

CANADIAN EXPORT ALLOCATIONS

BELGIAN CONGO PROGRAM, 1944

It is announced that a program for the supply of essential goods to the Belgian Congo by Canada during the balance of 1944 has just been established. The program includes a variety of commodities.

Applications for export permits for commodities not programmed will be

considered on their merits on the basis of prevailing supply and past trade.

By arrangement with the Belgian authorities, export permits will only be issued after consultation with the Belgian Congo Purchasing Commission in New York. Applications for export permits should, therefore, be made direct to the Export Permit Branch, Department of Trade and Commerce, Ottawa.

CANADA'S EXTERNAL TRADE IN MAY

Canada's external trade, excluding gold, reached record proportions in May, the value being \$529,887,000 as compared with \$424,168,000 in April and \$407,700,000 in the corresponding month of 1943. The aggregate value for the five months of this year was \$2,134,780,000, exceeding last year's corresponding total of \$1,729,886,000 by \$404,894,000.

The value of merchandise of Canadian origin exported in May was \$368,357,000, the highest valuation recorded in any month in Canada's history. The value for the previous month was \$282,891,000, and for May of last year it was \$250,607,000. Domestic exports during the five months ended May aggregated \$1,403,110,000 as compared with \$1,028,531,000 in the similar

period of last year, an increase of \$374,579,000. Re-exports in May were valued at \$2,492,000, and for the five months ended May the value was \$19,620,000.

Canada's merchandise imports in May were valued at \$159,038,000 as compared with \$154,393,000 in the corresponding month of 1943, the total for the five months ended May aggregating \$712,050,000 as against \$692,922,000 in the similar period of last year. The United States was the leading source of supply, imports from that country being valued at \$127,041,000 as compared with \$123,968,000 in May of last year, and for the five months ended May the value was \$586,727,000 as against \$567,313,000 for the corresponding period of 1943. May im-

ports from the United Kingdom were valued at \$13,044,000 as compared with \$12,527,000 a year ago, the value for the five months ended May totaling \$45,050,000 as against \$55,575,000 in the same period of last year.

Statistical Summary

A tabular statement showing Canada's exports in May by principal countries and commodities was published in *Commercial Intelligence Journal* No. 2107 (June 17, 1944), page 517. The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic imports (excluding gold) by principal countries and commodities for the month of May and the five months ended May, 1944 and 1943:

Imports by Principal Countries

	Month of May		Five Months ended May	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	159,038	154,393	712,050	692,922
Empire countries	24,336	26,000	88,776	95,309
British East Africa	92	53	437	820
British South Africa	145	26	2,311	999
Southern Rhodesia	1	2	165	800
British West Africa	1,448	80	1,635	929
Bermuda	448	....	452	1
British India	3,957	3,166	12,943	6,425
Ceylon	482	1,598	2,467	4,037
British Guiana	510	533	2,718	2,249
Barbados	915	419	3,083	1,345
Jamaica	880	927	4,866	3,334
Trinidad and Tobago	6	31	64	65
Other British West Indies	105	50	647	244
Newfoundland	534	216	2,303	1,357
Australia	839	740	3,770	2,130
Fiji	572	105	1,240	634
New Zealand	248	5,327	3,612	13,700
United Kingdom	13,044	12,527	45,050	55,575
Foreign countries	134,702	128,393	623,274	597,613
United States	127,041	123,968	586,727	567,313
Argentina	921	1,019	5,099	4,953
Bolivia .....	....	....	9	....
Brazil	310	145	3,062	1,287
Chile	56	64	184	241
China .....	....	4	1	11
Colombia	1,425	178	4,420	706
Costa Rica	98	161	396	723
Cuba	443	378	2,234	3,639
Ecuador	146	137	167	190
Egypt .....	....	....	82	57
Guatemala	676	134	1,743	453
Haiti	17	1	298	105
Honduras	85	9	329	58
Mexico	1,258	907	5,987	5,794
Netherlands West Indies	260	213	492	568
Nicaragua	1	....	1	....
Panama .....	....	14	....	18
Paraguay	15	5	69	414
Peru	4	18	40	129
Portugal	109	22	527	143

Imports by Principal Countries—Con.

	Month of May		Five Months ended May	
	1944	1943	1944	1943
Foreign countries— <i>Con.</i>	Thousands of Dollars			
Salvador	259	107	1,279	524
San Domingo	8	1	1,809	5
Spain	287	107	1,203	188
Sweden	6	1	24	2
Switzerland	227	231	2,038	1,154
Puerto Rico	5	....	14	....
Uruguay .....	....	63	118	296
Venezuela	861	27	3,979	3,573

Imports by Principal Commodities

	Month of May		Five Months ended May	
	1944	1943	1944	1943
	Thousands of Dollars			
Total imports	159,038	154,393	712,050	692,922
Agricultural products	22,415	16,954	91,076	67,193
Fruits	6,217	3,470	21,674	15,916
Nuts	1,931	236	5,838	822
Vegetables	2,955	1,914	9,886	6,945
Grains and products	578	600	5,622	4,663
Oils, vegetable	1,149	1,760	5,042	5,258
Cocoa and chocolate	1,104	....	2,240	635
Coffee and chicory	1,370	634	5,427	2,420
Spices	110	145	350	488
Tea	1,777	1,993	7,286	5,841
Alcoholic beverages	500	371	2,082	1,569
Gums and resins	248	300	1,577	1,251
Seeds	79	113	1,047	1,257
Tobacco	135	83	619	420
Animal products	2,921	3,150	15,756	15,965
Fishery products	199	188	1,077	727
Furs (chiefly raw)	433	374	5,124	3,947
Hides, raw	238	626	2,073	3,146
Leather, unmanufactured	236	301	1,231	1,374
Leather, manufactured	243	378	1,110	1,456
Meats	153	185	955	1,400
Fibres and textiles	17,679	21,441	79,074	86,674
Cotton	8,356	6,704	36,672	39,183
Raw, and linters	3,191	2,283	15,993	13,854
Yarn	868	889	3,482	4,368
Fabrics	3,778	3,079	15,049	18,799
Flax, hemp and jute	2,358	3,255	8,180	5,872
Fabrics, flax and hemp	133	285	660	840
Fabrics, of jute	1,669	2,380	5,139	3,178
Silk	144	129	660	641
Fabrics	139	123	637	610
Wool	2,879	8,133	16,321	26,677
Raw wool	512	5,519	4,666	13,650
Noils and tops	517	668	3,007	4,195
Yarn	334	382	1,354	1,710
Worsted and serges	712	857	3,501	3,742
Wood and Paper	3,562	3,497	17,623	16,779
Wood, unmanufactured	443	540	2,699	2,532
Planks and boards	209	291	1,054	1,256
Wood, manufactured	578	489	2,762	2,477
Paper	1,047	912	4,830	4,336
Books and printed matter	1,494	1,556	7,332	7,433
Iron and products	39,482	44,860	183,113	148,009
Pigs, ingots, blooms and billets	83	1,411	626	6,990
Castings and forgings	583	794	3,219	3,066
Rolling mill products	4,328	6,093	19,471	27,145
Pipe and tubes	408	804	2,228	3,010
Engines and boilers	5,681	5,531	22,905	12,856
Farm implements	3,704	1,487	14,385	6,165
Hardware and cutlery	381	438	1,801	1,603
Machinery (except agricultural)	7,560	13,268	37,599	42,433
Stamped and coated products	143	113	691	734
Tools	772	1,272	4,177	4,044
Vehicles	10,112	7,893	44,920	20,211

Imports by Principal Commodities—Con.

	Month of May		Five Months ended May	
	1944	1943	1944	1943
	Thousands of Dollars			
Non-ferrous metals	11,083	8,838	47,197	38,343
Precious metals	118	101	541	374
Clocks and watches	272	297	2,037	1,304
Electrical apparatus	6,817	4,553	26,372	14,554
Non-metallic minerals	23,797	22,736	99,798	88,156
Clay products	1,025	1,311	5,200	5,518
Coal	8,964	8,490	42,572	33,868
Coke	786	998	3,758	4,042
Glass and glassware	1,215	926	5,629	4,434
Petroleum products	9,535	8,992	34,171	31,921
Stone and products	937	807	3,801	3,558
Chemicals	8,043	6,294	34,385	28,028
Acids	265	409	1,280	1,953
Cellulose products	432	379	2,018	1,898
Drugs and medicines	555	700	3,181	2,854
Dyeing and tanning materials	644	696	2,900	2,998
Fertilizers	427	222	2,056	1,464
Paints and varnishes	689	556	3,199	2,608
Inorganic chemicals	1,375	1,019	5,222	4,732
Soda and compounds	607	359	2,260	1,805
*Miscellaneous commodities	30,056	26,623	144,027	203,775
Amusement and sporting goods	164	74	823	335
Personal and household equipment	453	327	1,967	1,752
Refrigerators and parts	10	8	53	51
Musical instruments	39	36	199	241
Scientific equipment	750	1,014	3,611	3,547
Vehicles, n.o.p. (except iron)	5,098	6,064	27,988	17,258

* Includes certain military stores.

UNITED STATES WHEAT CROP OUTLOOK

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

Growing conditions for the wheat crop have been most favourable and, despite a late and uneven start, crop prospects are apparently the best in ten years, excepting 1942, according to the crop production report of June 1, issued by the Crop Reporting Board of the United States Bureau of Agricultural Economics.

The Board forecasts a billion-bushel wheat crop, which has been realized only once before in the history of the country—in 1915, when 1,008,637,000 bushels were produced. Winter-wheat production is placed at 714,000,000 bushels, and growing conditions for spring wheat, apparently planted in full acreage, are very good. The principal factor in the estimate of the prospective record crop is the probability of near-record yields of both winter and spring wheat in the same year.

However, a crop that is at its peak this early in the season is vulnerable to hazards that may develop between now and harvest time. This is particularly true this year, due to the lateness of the season, which exposes the crop longer to weather hazards and losses if growth becomes rank before harvesting.

WINTER WHEAT

The report indicates the production of 714,148,000 bushels of winter wheat as compared with 529,606,000 bushels in 1943 and the ten-year (1933-42) average of 570,675,000 bushels. This year's indicated production has been exceeded only in 1919 and 1931, the record in the latter year being 825,000,000 bushels. The area to be harvested in 1944 is placed at 40,943,000 acres, while the yield per acre is estimated at 17.4 bushels as compared

with 15.6 bushels in 1943 and the ten-year average of 15 bushels.

SPRING WHEAT

The 1944 production of spring wheat is estimated at 320,637,000 bushels as compared with the 1943 figure of 306,-

692,000 bushels and the ten-year (1933-42) average of 189,524,000 bushels. The yield of spring wheat is placed at 16.2 bushels per acre, which ranks high in the record of production but has been exceeded in each of the last three years.

VIEWS OF THE ARGENTINE CENTRAL BANK ON INDUSTRIAL DEVELOPMENT

By J. A. STRONG, *Canadian Commercial Attaché*

The Argentine Central Bank, in its annual report for 1943, has expressed its views with respect to the position to be occupied by the new Argentine manufacturing industries in the economic set-up of the country as follows:

DOMESTIC INDUSTRY AND IMPORTS

"What has been suggested in regard to credit policy after the war has particular connection with the development of industry. A calm attitude on the part of the banks will be a fundamental element of stability. But this only concerns a single aspect of the problem, which is in reality subordinate to another and decisive one. The country will find itself in a situation wherein a considerable part of the goods consumed by its inhabitants and of those required for its economic activity is produced by its own industrial efforts. If imports should again take their former course and maintain the same composition as before, industry first and the national economy immediately afterwards might find themselves dragged into a serious depression which might undo the work of recent years. The timely prevention of such an eventuality depends on the country's own determination. There is no reason to continue importing the same goods as before, if these are now rationally produced at home. But we shall still have to import huge quantities of goods, not only because we need them but also because, if we wish to continue to export, we must continue to import. Therefore the problem does

not lie in reducing imports but in changing their composition or, in other words, in reorganizing the import structure in such a way that the country may be able, without damage to its industry, to import, to the extent permitted by its exports, the many things which it needs and does not produce.

"In this way our industrial development is far from being incompatible with foreign trade, and both could work together to obtain the maximum benefit for the country and to ensure the most favourable conditions for a more rapid growth of the population, both through immigration and natural increase.

"This is a simple statement of the issue, a mere basis on which to tackle the problem and not a concrete program. The facts must first be carefully sifted to separate that which is good from that which is weak, unsound or excessively expensive, and to prepare the ground so that readjustment may be effected without shocks. In the internal market, once the present tension slackens, healthy competition will not be long in becoming fully operative, and then the more efficient and more prudent enterprises, which in these times of prosperity have had the wisdom to put their business on a healthy basis and establish adequate reserves, will have to prevail.

USE OF FOREIGN EXCHANGE

"From another standpoint the problem is one of making the best of the

exchange provided by our exports; there being no need to import in the same proportion as formerly manufactured goods or the materials now produced by national activity, a greater proportion of exchange will be available for the importation of the capital goods required for the development of industry, transportation and economic activity in general, not only because of the organic growth of these forms of activity but also to effect whatever renewals may be rendered imperative by the severe wear and tear to which productive and transport equipment are at present subject—railway and city transportation material, automobiles, in which an exceedingly low level has been reached, commercial aviation equipment, industrial and agricultural machinery and equipment, and other materials which are essential to the development and security of the country. All this, apart from the considerable value in basic and essential materials which we must import—as repeatedly proved in the present emergency—the local production of which, in the cases where it is possible, will only develop gradually. In addition there is the no less considerable value of the consumer goods which this country does not manufacture, comprising those already known at the outbreak of war and those constantly being evolved, due to the amazing technical development of production in the great belligerent nations.

“There is in all this another question of undeniable significance. The greater the proportion of foreign exchange devoted to the importation of those capital goods just mentioned the less need there will be for this country to obtain additional exchange by means of loans or to resort to foreign capital to promote the further development of its economic life. A large proportion of the foreign investments in this country has taken the form, in the ultimate instance, of imports of capital goods. By devoting to such imports an increasing share of our own exchange, while local production of other goods

is expanding, we shall be able to achieve the same results and at the same time considerably strengthen the national economy.

FUTURE OF EXPORTS

“The extent to and the rate at which it will be possible to achieve these purposes will, of course, depend on the course of exports, on whether they remain at the same stationary level of the past fifteen years or resume the vigorous upward trend of earlier days, as they could if world markets were again opened freely to the same Argentine agricultural and pastoral products as before or to other products which international demand may require.

“We could not fail to mention here, because of its far-reaching effects, the expansion which has taken place in our trade with neighbouring countries and with other nations of this continent with which we formerly did an insignificant amount of business. To-day we buy from those countries raw materials and manufactured goods which we formerly purchased elsewhere, and at the same time they buy from us goods which are to them essential. The volume of this interchange, which is already considerable, is capable of greater expansion by reason of the growth of productive capacity which is taking place in some of them and also in our own country. Unremitting attention to this matter is therefore justified by the many advantages of different kinds which this closer continental relationship brings in its train.

MITIGATING FLUCTUATIONS

“The better use of exchange has also another meaning in a country whose exports are exposed to constant and very pronounced fluctuations. If the greater part of the manufactured goods needed for consumption and for normal activity were produced in this country, our imports could, in times of shortage of exchange like those which the country has experienced in the past, be restricted to a large extent to materials

essential to the working of industry and to economic activity, as is happening to-day due to other reasons. Periods of prosperity when exchange is abundant could be taken advantage of to import the capital goods already referred to and all those other articles which, being unessential, could not be imported when exchange was short. The lessons of the present emergency must be learned, both as regards imports and as regards the possibilities offered by monetary and financial policy for gradually reaching a stage at which the economic activity of the country could be kept at a high tempo and the influence of external fluctuations reduced to a minimum.

TIME TO STATE PROBLEMS

"These problems so closely affect the Central Bank, because of their connection with the balance of payments,

exchange and credit, that it will not seem out of place to mention them in this report. And if the statements made have no other virtue than that of bringing up new problems of such vast importance, which the country will have to face when the war ends, and of promoting their discussion, they will have more than fulfilled their purpose.

"It has also been the intention to place on record in these pages the conviction that, if a wise course is followed in these times of emergency and the country exerts itself with deliberate energy and foresight to meet situations which do not solve themselves spontaneously, it will find itself later in a far more favourable position to influence its internal economy and participate in the reconstruction of international economic life with a profound and true conception of its national interests."

ECONOMIC TRADE AND PRODUCTION NOTES

Argentina

POTATO CROP ESTIMATE

Mr. J. A. Strong, Canadian Commercial Attaché at Buenos Aires, writes under date June 10, 1944, that, according to a report of the Argentine Department of Agriculture, the harvesting of the potato crop has been completed in the Mar del Plata-Balcarce zone, with generally good yields. The crop which was planted in February is being dug in the Rosario Zone and is of poor quality, due to attacks of late blight and damage caused by frosts at the end of April. Harvesting continues in the Province of Mendoza, the yields being below normal, due mainly to parasitic attacks. Results in Rio Negro are also below normal on account of the poor quality of the seed planted.

The second official estimate of the total crop is 1,421,000 tons, of which 496,069 tons is from the early plantings in the northern provinces (Tucu-

man, Salta, etc.) and the early crops in the two-crop zones.

Brazil

IRON AND STEEL OUTPUT

Brazil's iron and steel industry in 1943 produced 247,680 tons of pig iron, 184,325 tons of steel, and 155,058 tons of sheets, reports the *Foreign Commerce Weekly*. Four producers supplied 80 per cent of the total. Exports of iron and steel were only nominal, but exports of iron and steel manufactures were about double those of 1942.

Chile

INDUSTRIAL AND MINERAL PRODUCTION IN 1943

Compared with the figure for 1942, the general index for manufacturing production in Chile for 1943 showed an increase of 6 per cent, it is reported by *The Board of Trade Journal*. Production of sugar declined by 20 per

cent, glassware by 11 per cent, coke by 9 per cent, paper by 3 per cent, and woollen and worsted goods by 2 per cent. On the other hand, the output of cotton piece-goods rose by 15 per cent, knitted goods by 8 per cent and that of artificial silk goods by 7 per cent. Hemp and jute production, which increased considerably in 1942, remained about the same level.

The general index of mining production showed a small decline of 2 per cent as compared with 1942. Gross output of coal was at the record figure of 2,277,000 tons, which compares with 2,151,000 tons, the high figure of the preceding four years, while the production of nitrate for the nitrate year ended June 30, 1943, was 1,297,788 tons as against 1,362,694 tons in the 1941-42 year.

India

AMMONIUM SULPHATE PLANT

Plans for the establishment of a plant in India for the annual production of approximately 360,000 tons of ammonium sulphate are being developed by the Government of India, it was recently reported by "The Times of India" in a New Delhi despatch. Officials of a British firm of manufacturers of chemical plant have been invited to visit India, study conditions and give advice on the plant required and its working.

If the plant is set up in accordance with the plans as already developed, its product will be on the market in the middle of 1946.

It is estimated that India could absorb about two million tons of this fertilizer a year.

Iraq

DEVELOPMENT COMPANY PROPOSED

The Government of Iraq is reported to be considering the formation of a company with capital of £20,000,000 to assist in the country's agricultural and industrial development. The capital of the proposed company would be largely subscribed by the Iraq Agricultural Bank. It is also reported

from Iraq that a committee, including experts from the British Embassy and the United States Legation, is being set up to facilitate imports from Britain, the United States and India. Representatives of other countries would be invited to attend meetings of the committee.

South Africa

SHEET GLASS PLANT PLANNED

Erection of a sheet glass plant in South Africa, probably in the Transvaal, under the aegis of the Industrial Development Corporation, is planned by a well-known company in this field, according to a recent South African newspaper report. The report stated that local sheet glass distributors have been advised that the company hopes to have the plant in operation before the end of 1946.

CORRUGATED CARDBOARD CONTAINERS

Since rationalization of the Union's corrugated cardboard containers industry, which was formed in August, 1942, into the War Emergency Containers Pool, by the Controller of Paper, a valuable contribution to the country's war effort has been achieved, states a bulletin of the Director-General of Supplies, forwarded by the Canadian Trade Commissioner at Johannesburg. Then the country was faced with the problem of providing alternative containers for suitable packaging for products, because of the falling-off in the supply of timber.

Steps were taken to merge the six manufacturers of corrugated cardboard containers in the Union into one co-ordinated body. The objects were to supply at uniform rate, at all centres in the Union, standardized containers for the requirements of the canning and dairy industries, to collate the requirements of the industry in raw materials from overseas, and to establish a controlled distribution organization.

The results, it is claimed, have fully justified these steps. In the eight

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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HOUSING PLANS FOR ST. JOHN'S, NEWFOUNDLAND

By R. P. BOWER, *Acting Trade Commissioner at St. John's*

I. Commission Findings and Recommendations

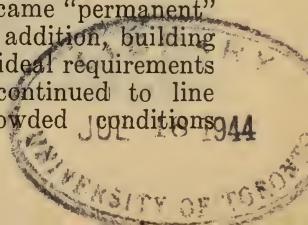
With the possible exception of Halifax, there is probably no city or town in Canada where the housing shortage at present is so acute as it is in St. John's, Newfoundland. The census in 1935 showed the city to have roughly 40,000 inhabitants. While no census has been taken in recent years, the number of ration books issued in the area to-day is 82,000. Even before this striking increase in population, the city of St. John's was definitely short of housing accommodation.

A recent survey showed approximately 5,700 families in 4,600 houses, and an average of 8.3 persons per dwelling in the city area. While armed forces out of barracks and wives and dependents of servicemen constitute some of these families, they are not an important factor. Assuming that 5,000 civilians will leave St. John's

when the war ends, the situation, although relieved to some extent, would still be serious.

Destruction by Fires

St. John's has been very largely destroyed by fire on a number of occasions and after each conflagration the chief concern has been to provide immediate shelter for as large a proportion of the population as possible. Haste in construction being more important than durability or beauty, many of the houses were put up with the object of providing temporary shelter only. Actually, however, many of these buildings became "permanent" dwelling places. In addition, building stopped far short of ideal requirements as many families continued to line up under the over-crowded conditions



that were thrust upon them, either because they could not afford to build, or because they were satisfied to continue as they were.

Fires demolished the major portion of the city in 1816, 1817, 1839, 1840, 1846, and lastly in 1892. The last fire was the one which most drastically affected modern St. John's. It occurred during the month of July, after a dry hot spring. A high wind, coupled with a break-down in the water supply, enabled a fire which started at five o'clock in the afternoon, to assume such proportions in two hours that all attempts to cope with it were abandoned. The estimated property damage at that time was \$20,000,000; 1,700 dwellings were destroyed and 11,000 people were left homeless.

While there are no outstanding ruins as reminders of the fire, the city still suffers from the fact that hundreds of the frame dwellings erected to meet the crisis, were built with an eye to speed of erection, rather than to beauty or utility, and that these dwellings still stand.

Findings of Housing Commission

Inadequate housing in the city of St. John's, coupled with the fact that many of the existing dwellings are definitely sub-standard, has led to constant agitation for housing reform. In May, 1942, a Commission to inquire into housing and town planning in St. John's was appointed. This Commission has since made numerous inquiries and published interim reports on its findings and recommendations. The principal objective of the Commission was to recommend a scheme for the rehousing of a portion, and ultimately of the whole, of the poor and the low-income families of the city.

The Commission has dealt with a number of aspects of the housing and general building situation in St. John's. It has recommended the enactment of a building code for the city, setting up standards of design and con-

struction in accordance with which any new structures would have to be erected. It has further recommended the appointment of a city architect or a panel of architects.

The Commission attributes the low-grade housing in St. John's largely to the poor design of dwelling both in respect to appearance and internal layout, to crowded and disorderly placing of structures, and to a low building code which permits poor construction standards and a low standard of requirements on the part of the public; and finds it due partly to lack of means and partly to lack of up-to-date ideas and of a knowledge of good building principles and practice.

Need for Direction by Architects

The Commission has also criticized the practice of building without the assistance of an architect, and generally aiming at cheapness without sufficient regard to durability. On top of this, it states that there has been a general neglect and disregard of surroundings, including outbuildings, fences and grounds.

The Commission has outlined the duties of a city architect or a panel of architects, as proposed, as follows:

- (a) To inspect and report upon the plans and specifications of every building, to be erected within the city or within one mile outside it.
- (b) To control the erection, alteration and repair of buildings and see that plans and specifications are followed.
- (c) To advise home-builders of small means as to their plans and specifications, and to prepare a number of standard plans, elevations and specifications of small houses, copies of which shall be available to all small-home builders; a nominal fee not exceeding \$10 to be charged for this service, which would include free copies of plans and specifications.

- (d) To maintain a library of pictures, plans, models and illustrated books on small-house design; and to see that every proposing home-builder, before getting a permit to build, studies these, and to use his (or their) best efforts to persuade the builder to adopt a sound and handsome design and type of construction.
- (e) To recommend unsatisfactory buildings for condemnation.
- (f) Generally to watch the city from the point of view of appearance and layout, and to submit to the Council reports and suggestions for its improvement. After the appointment no permit to build, alter or repair shall be granted except on a written report from the architect.

Proposed Housing Development

The Commission recognized the necessity for some expansion in the area of the city so as to overcome the current congestion and has made the suggestion that temporary regulations be made to govern all the area between the present city boundary and a line one mile outside the boundary. Within this area, no permanent structure should be erected nearer than 35 feet to the centre line of any street or road. In the case of more important roads, this distance should be increased to 40 feet. The object of this regulation is to ensure that there will be adequate room for proper width roads, should any of the land in question be required for a subsequent housing scheme.

Essential Framework

In January, 1944, the Commission submitted its fifth interim report in which it stated that the present easy financial situation in the country and the wave of enthusiasm regarding better housing, should be availed of so that the essential frame-work of a new suburb could be undertaken immediately. By "essential framework" the Commission had in mind sewerage and

water services, new streets and roads and the arrangement of proper transportation facilities. This framework, the Commission advised, must be undertaken a year before any attempt to provide housing on a large scale and before any urgent need for post-war housing arises. Once it is established, the demand for houses and the demand for labour can be satisfied at any time by a well-balanced expansion on a large or small scale as the occasion demands.

It was not anticipated that there would be any large-scale building in 1944, although it was recommended that token construction should be undertaken more or less along experimental lines.

The Commission selected an area of ground on the outskirts of the city as an ideal building site and submitted a preliminary report on the cost of supplying the essential utilities, such as transportation, water, etc., and then made certain recommendations regarding the expropriation of the property involved. The area in question contains a total vacant frontage equal to about 1,292 building lots of 50 feet frontage each and a total vacant back or interior of 574 acres.

Acquisition of Property

The Commission discovered that most of the land in the area would only be sold by the present owners at prices too high to enable a low-cost housing project to be proceeded with. The Commission examined the practice of a Canadian life insurance company, which does not treat any building land, except in exceptional circumstances, as being worth for loan purposes more than about 10 per cent of the value of the building upon it. For example, for a house costing \$3,500, the lot should cost approximately \$350, which is the equivalent for a 50-foot lot of \$7 per foot. Certain sections of the area selected by the Housing Commission as ideal for suburban development contained lots for which the owners were asking \$60 per foot.

The Commission recommended that such property be expropriated by the City and that there be worked out a basis of expropriation based on the assumption that the inflated values now being asked by property owners in the building area were not likely to be realized for a period of thirty years. On this basis, and discounting values asked progressively at 4 per cent for from one to thirty years, the present value of the property is brought more in line with what is necessary, if a low-cost housing scheme is to result.

Services

The Commission suggested that a certain amount of sewerage work be undertaken in the proposed area immediately, expressing the view that, while it is not desirable to put in a system which will not be fully required for many years to come, enough work should be undertaken to justify the use of a mechanical trench digger and also to warrant setting up an organization to produce good concrete pipe on a considerable scale. The initial sewerage program should provide for accommodating 1,200 houses, together with such lines as are necessary to serve existing houses in the building area.

In laying out new streets the main roads recommended would have thirty-foot heavy tarvia pavement, concrete curbs and sidewalks, and a grass strip on either side, under which water and sewerage pipes would be laid. This plan would obviate cutting up the pavement when making repairs on the water and sewer lines. The total right-of-way would be sixty feet. Minor

residential streets would be similar to this except that they would be twenty-six feet wide with a gravel surface. Lanes would be provided between the main streets to take care of power poles and to provide access for carts, etc.

A tree planting scheme is also recommended for all streets, with trees spaced at 35-foot intervals.

Cost

The estimated cost of the development, as recommended, is \$2,088,900, made up as shown in the table below.

The price of the houses erected in the area would include the cost of land and would be paid in the pay-off cost with interest system. By the time 2,400 houses have gone into the area, there would be in course of payment at interest, 2,400 lots at, say, \$350 minimum or \$840,000.

The present time is not opportune for large-scale building. Evidence indicates that the cost of residential building is 75 per cent higher than before the war. The factors in this are: high cost of local lumber; higher cost of labour; reduced efficiency of labour owing to the dilution with semi-skilled or unskilled men; high cost of all imported materials. Whereas before the war a good small house could be built for \$3,500, and a very good small cottage for about \$2,500, the same houses built to-day would cost \$6,125 and \$3,375 respectively.

The building scheme properly organized could effect certain economies because of the size of the operation involved, while any improvement in the supply position of raw materials should also be reflected in lower prices.

Purchase of land	\$674,000
Sewerage—	
Fixed items	\$ 83,900
Network for three initial developments	129,500
	<hr/>
	213,400
Water lines to service 600 houses	73,000
Streets and roads—	
New main street	\$153,300
Improvements of radial roads	133,600
Minor streets for about 600 houses	193,600
	<hr/>
	480,500
Initial sum for house construction	500,000
Trees and landscaping	10,000
Contingencies	50,000
Engineering	88,000

The Commission recommended that the duty on certain building items, such as bathroom equipment, should be reduced so that these necessities could be brought more in line with the ability of the people to pay for them. This recommendation on the part of the Commission was largely responsible for the recent reduction in the tariff rates on certain bathroom and plumbing fixtures.

Limit Initial House Building

The Commission recommended that in 1944, 100 houses be put up as soon as sewerage connections could be arranged. The majority of these would be of the better type, costing approximately \$5,000 each. There would, however, be

some attempt to build small cheap cottages, consistent with good quality, with the provision of a complete bathroom. Such houses would give the Commission a good idea of the difficulties that might be expected on any large schemes subsequently undertaken and would lay the ground-work for the 1945 program.

Privately Built Dwellings

The construction of private dwellings within the area covered by the scheme was also planned, and every encouragement is to be given to individuals who may wish to build privately. Any such houses must however, conform with the standards set by the City Architect.

NEW LUMBER CONTROLS IN THE UNITED STATES

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

The War Production Board has issued Lumber Control Order L-335, as amended June 23, 1944, effective August 1, 1944, which establishes complete controls over all lumber in the United States. The complete revision of L-335 sets up the procedures under which sawmills deliver, distributors receive and deliver, and all consumers receive lumber. The order actually puts into effect the Lumber Requirements Plan which was devised some months ago.

Principles of the New Order

The fundamental principles of the new lumber control order are as follows:

1. The order establishes complete control over all lumber produced, with certain very minor exceptions, and permits sawmills to ship lumber only to consumers having certified orders or to distributors.

2. It establishes also complete control of lumber in the hands of distributors, who may sell lumber only on certified orders or by authorization received in the form of War Production Board directives.

3. It provides for quarterly control of the uses of lumber by consumers. Such control permits certificates or War Production Board directives as to use to be issued only in keeping with anticipated quarterly lumber production.

Specific Controls

All sawmills, except those producing less than 100,000 board feet of lumber per year, may deliver lumber only to (a) consumers or distributors on certified orders, (b) to other sawmills including concentration yards without certificates, and (c) on orders specifically permitted by directives of the War Production Board.

Distributors, wholesaler or retailer, may sell lumber from their inventories only on certified purchase orders, except in such cases as sales are permitted by directions of the War Production Board.

Distributors may buy lumber from sawmills or other distributors on (a) certified purchase orders which they receive from consumers, (b) authorization on Form WPB-3813 which will permit the placement of certified but unrated orders for dealer inventory

supplies, (c) authorization by War Production Board directive (probably for general consumer maintenance and repair lumber).

Consumers

The order sets up the following four classes of consumers:

1. *Class I Consumer.*—Class I consumer is any consumer who has been granted an authorization to receive lumber on Form WPB-3640: namely, a consumer who will require more than 50,000 board feet of lumber per quarter for all purposes except (a) resale; (b) mining or smelting operations for which he has been assigned a serial number under P-56; (c) operations directly incident to the discovery, development, or depletion of a petroleum pool as authorized by Petroleum Administrative Order 11; (d) farm operations for which he may get lumber through the War Food Administration; and (e) construction jobs which have been expressly authorized by the War Production Board or the National Housing Agency or any other Federal agency that authorizes construction on behalf of the War Production Board. This class of consumer will receive authorization from the Lumber Branch of the War Production Board to purchase specific board footage of lumber in the third quarter.

2. *Class II Consumers.*—There are three types of Class II Consumers: (a) Users who would be required to file Form 3640, except that they require less than 50,000 board feet of lumber per quarter. (b) Mining and smelting operators assigned serial numbers under Order P-56, as well as oil operators specifically authorized to buy materials by Petroleum Administrative Order 11. (c) Consumers who need lumber for construction jobs expressly authorized by the War Production Board or other Federal agencies which issue authorizations for construction.

3. *Farmers.*—The War Food Administration is authorized to provide rules

and regulations providing the means for procurement of lumber for farm purposes. Certificates will be issued to farmers through dealers by State and County War Boards in a manner similar to the Emergency Farm Lumber Program, which has been in effect in many states for the past nine months. These regulations are to be issued within a short time.

4. *All Other Consumers.*—All other consumers are industrial plants and business enterprises and other persons who need lumber for a purpose for which no rating has been assigned to buy lumber for general maintenance and repair. These consumers will be taken care of by War Production Board directive (Directive No. 8) allocating to distribution yards a certain board footage of lumber, which can be sold to these consumers in the third quarter on uncertified and unrated orders.

Certifications

Unless a directive or a direction issued by the War Production Board under this order says that it may be done in some other way, an order for lumber may only be certified by endorsing or attaching one of the prescribed forms of certificates on the purchase order, sales ticket, or other order calling for the delivery of lumber. Four forms of certificates have been prepared as follows: (a) certificate for use by Class I and Class II consumers on rated orders; (b) certificates to be used by Class I consumers on their unrated orders; (c) certificates to be used by distributors in extending customers' certified orders; and (d) certificates that must be used by distributors who get lumber authorized on Form WPB-3813 or by a direction. This certificate will also be the form used by retailers that get lumber to serve the needs of the "all other consumers' class of customer."

Restrictions on the Use of Ratings

This lumber control order does not assign any preference ratings. If a consumer has a rating to get produc-

tion materials for a product, he may continue to use that rating to get lumber to be incorporated in the product. If a consumer has a rating, except an AA-5 MRO, to get lumber for maintenance, repair, or operating supplies (including MRO shipping material or dunnage), he can also continue to use that rating to get lumber for such purposes.

A consumer who does not have a rating but needs one to get lumber, may get it in the same way as a rating for any other material (except in the case of farmers who get a rating through the War Foods Administration). Persons who had a rating to get lumber under Order M-208 may not use those ratings as that order has been revoked as of August 1, 1944.

Under this order any person entitled to use a preference rating to get lumber must also use the prescribed certificate as the preference rating alone is not sufficient. The use of any rating assigned by a certificate, preference rating order, or regulation is subject to any restrictions contained in the instrument assigning it. Also persons using ratings to get lumber must comply with the general applicable restrictions in Priorities Regulations 1, 3, and

11-B and CMP Regulation 3, and with the further restrictions contained in this order.

No person who has an AA-5 MRO rating for maintenance, repair, and operating supplies may use it to get lumber. No person selling lumber may give an effect to such a rating.

Uncertified orders may not be rated. No preference rating appearing on a lumber order will be valid unless the order is properly certified.

Summary

Briefly summarized, the lumber control order says: "No mill, or distributors, can ship lumber without a certificate or directive."

The new order places the dealer in a position such as he has not occupied during the war period. Dealers will be able to build up inventories if the type of business being handled by them is essential and can be backed up by certificates from the industries they are supplying. The order does not ensure any increased lumber production, but it does ensure a proper channeling of the lumber from mills to distribution yards to essential war uses.

New York, June 30, 1944.

UNITED STATES EXPORTERS GIVEN SUBSIDY RELIEF

By C. H. WEST, *Assistant Trade Commissioner at New York*

By amendment to the Second Revised Maximum Export Price Regulation, the Office of Price Administration has ruled that an exporter of a product which is subsidized in domestic sales, but who is not entitled to receive such subsidy when he exports the commodity, may increase his base price otherwise applicable (which may not exceed the maximum price he might charge a domestic civilian purchaser of the same class) by the amount of the subsidy.

Likewise, if the exporter is required to refund any subsidy or similar payment made to him by the Government in respect of the exported commodity,

he may increase his base price by the amount of such reimbursement. The amendment became effective July 5, 1944.

Although the only commodities immediately affected are dried prunes, raisins and dried beans, the Office of Price Administration has stated that any other commodities which are brought under the same subsidy arrangement, will be "similarly treated in so far as it concerns export price".

Thus, although of limited use now, the ruling has a sweeping scope which will apply to any of a number of products which may be subsidized on the domestic market.

The domestic regulation applying to dried prunes and raisins is being altered to make it agree with the above procedure, the O.P.A. announced.

Formerly packers sold to exporters at non-subsidized prices. Now they

are required to sell at regular domestic prices, but exporters are likewise required to reimburse the Government before the product leaves the country. They then add the amount of this reimbursement to their domestic prices.

POST-WAR ECONOMIC POLICY IN THE UNITED KINGDOM

III

By J. A. LANGLEY, *Canadian Trade Commissioner*

Maintaining Capital Expenditure

Following is an outline of the measures by which the United Kingdom Government proposes, as part of its long-term policy, to influence the volume of capital expenditure, private and public.

In ordinary times the volume of capital expenditure is influenced by movement in the rate of interest. If the cost of borrowing money is high, some projects which are not profitable at that rate will be held back. When it falls again, those projects will be brought forward, and others will also be taken in hand.

For some time after the end of the war it will be necessary, as already explained, to maintain a policy of cheap money. Thereafter the possibility of influencing capital expenditure by the variation of interest rates will be kept in view. The experience gained since 1931 of co-operation in this field between the Treasury and the Bank of England and the Joint Stock Banks will make it possible to operate a concerted and effective monetary policy designed to promote stable employment.

Monetary policy alone, however, will not be sufficient to defeat the inherent instability of capital expenditure. High interest rates are more effective in preventing excessive investment in periods of prosperity than are low interest rates in encouraging investment in periods of depression.

The Government, therefore, proposes to supplement monetary policy by encouraging privately owned enterprises

to plan their own capital expenditure in conformity with a general stabilization policy. The larger private enterprises may be willing to follow, in their own interests, the example set by the Government in the timing of public investment and to adjust their activities accordingly.

Use of Public Investment

Public investment can, however, be used more directly as an instrument of employment policy.

Only a small proportion of public capital expenditure is undertaken by the central Government, by far the greater part being within the province of local authorities and public utility undertakings. In the past, capital expenditure by these authorities has generally followed the same trend as private capital expenditure; it has fallen in times of slump and risen in times of boom, and has tended therefore to accentuate the peaks and depressions of the trade cycle.

In the future, government policy will be directed to correcting this sympathetic movement. It should be possible for the Government to maintain the stability of public investment when private investment is beginning to fall at the onset of a depression. But this may not be enough; for the purpose of maintaining general employment it is desirable that public investment should actually expand when private investment is declining and should contract in periods of boom.

There are, however, practical limits to the extent to which government

action can produce swings in public investment to offset such swings in private investment as it cannot prevent. Thus, a large part of the capital expenditure of public authorities—for example on housing, schools, and hospitals—is dictated by urgent public needs, the satisfaction of which cannot readily be postponed to serve the purposes of employment policy. And in the other direction, the Government could not compel substantial acceleration of the capital programs of these public authorities without much more power of direction than it now possesses.

There are, therefore, limits to the policy; but within those limits the Government believes that it can influence public capital expenditure to an extent which will be of material value for the purpose of maintaining employment.

Procedure Proposed

The procedure which the United Kingdom Government has in mind is as follows: All local authorities will submit annually to the appropriate department their program of capital expenditure for the next five years. These programs will then be assembled by an appropriate co-ordinating body under Ministers and will be adjusted upward or downward, in the light of the latest information on the prospective employment situation. If this entails a slowing down of programs, adequate powers, through the withholding of loan sanctions or grants, are ready to hand. If it entails an acceleration, the Government will, by granting loan sanctions or otherwise facilitating finance, bring forward projects which otherwise might have had to wait for a later opportunity.

The Government is considering the lines on which this procedure can be applied to the programming of capital expenditure by public utility companies.

The machinery thus envisaged will enable the Government to set each year a target for the whole volume of public works in the succeeding year.

Reduction of Time-lag

In order that public investment may be more quickly mobilized to redress the balance of private investment, the Government also intends to seek means of reducing the time-lag which ordinarily intervenes between a decision to undertake public capital expenditure and the actual start of the work. Speed here is crucial.

Finally, forward planning may have to be carried down to the industries which supply the primary needs of public investment. Much time would be saved if, in those capital industries which are most subject to fluctuations and are the first to be affected by an increase in public investment, attention has been given beforehand to the quickest ways of switching production from the types of article needed for private investment to the types required for those forms of public investment which stand highest in priority on the reserve list of public works.

The Government believes that in the past the power of public expenditure, skilfully applied, to check the onset of a depression has been underestimated. The whole notion of pressing forward quickly with public expenditure when incomes were falling and the outlook was dark has, naturally enough, encountered strong resistance from persons who are accustomed, with good reason, to conduct their private affairs according to the very opposite principle. Such resistance can, however, be overcome if public opinion is brought to the view that periods of trade recession provide an opportunity to improve the permanent equipment of society by the provision of better housing, public buildings, means of communication, power and water supplies, etc.

Maintenance of Consumption Expenditure

If, despite such efforts, there are still swings in capital expenditure, with consequent fluctuations in the expenditure of people engaged in the industries producing capital goods, such as the iron and steel industry, the incomes of

persons engaged in making clothing, wireless sets and other goods for consumption will also be lowered. These persons in turn will reduce their rate of consumption of food and other goods, and thus the influence of the original swing in investment will be rapidly transmitted through the whole range of industries.

Another line of defence must be created against this progressive degeneration of the state of trade by influencing the community's expenditure on consumption. Here again speed will be essential. The ideal to be aimed at is some corrective influence which would come into play automatically—on the analogy of a thermostatic control—in accordance with rules determined in advance and well understood by the public.

Variation in Insurance Contributions

For this purpose the Government, after examining a number of methods, favour the adoption, when settled conditions return, of a scheme for varying in sympathy with the state of employment, the weekly contribution to be paid by employers and employed under the proposed new system of social insurance. The standard rate of contribution would be assessed on the basis of a forecast of the average level of unemployment, in such a way as to keep the social insurance fund in balance over a number of years. But the rate of contribution actually levied would exceed the standard rate at times when unemployment fell below the estimated average level and would be less than the standard rate at times when unemployment exceeded this average.

The effect of this scheme would be that, above a certain level of unemployment, a rise of two points in the unemployment percentage would decrease by an average of £500,000 a week the total of the social insurance contributions paid by workers in employment, apart from the corresponding reduction in the costs of employers. This would substantially augment the

purchasing power in the hands of employed workers, and the additional money thus left in the hands of many millions of people would help to maintain demand for consumers' goods, thereby offsetting, at least in part, the decline in the expenditure of those who had lost their employment. This maintenance of purchasing power would reduce substantially the variations in total expenditure and employment.

A plan of this kind is in no way inconsistent with the contributory basis of the social insurance scheme.

A scheme for varying social insurance contributions would be an inappropriate remedy for the type of unemployment which is likely to arise in the transition period. While, therefore, the plan and any necessary qualifications of it will be drawn up in detail, it will not be put into operation until the abnormal conditions of the immediate post-war years have disappeared.

Tax Rates and Deferred Credits

The Government has also examined a number of other devices for influencing the volume of consumption, such as the variation of rates of taxation and the incorporation of some system of deferred credits as a permanent feature of national taxation. Since after the war a very considerable proportion of the national income will have to be taken in taxes, it is clear that relatively small variations in rates of taxation, whether effected by deferred credits or otherwise, will have a significant effect on the purchasing power available to the public and so on employment.

Deferred credits are preferable to any system of direct variation which, apart from its other disadvantages, would come into operation more slowly than an effective policy demands. If experience should show that the variation of social insurance contributions was of value in keeping employment steady at a high level, but that another instrument for operating upon the volume of consumption was also desir-

able, it might well become a matter for consideration whether in prosperous times rather more taxation should be raised than was necessary for the budget requirements of the year and that excess treated as a credit repayable to the taxpayers in bad times.

These measures would operate by increasing the purchasing power in the hands of consumers. There is also the possibility that the Government might directly sustain employment in consumer goods industries by placing orders at a time when the normal demand for their products was flagging.

National Finance

None of the main proposals contained in the White Paper involves deliberate planning for a deficit in the national budget in years of sub-normal trade activity. A policy of low interest rates is helpful rather than otherwise to the budget. Any action which can be taken to improve foreign balance works in the same direction. The designed variations in the capital position of the social insurance fund will not affect the revenue budget.

Financial inducements to public authorities to expand capital expenditure will mainly take the form of an annual grant towards meeting recurrent charges on the loans raised, and their burden will consequently be spread over a long period. Moreover, the success of measures designed to stabilize the national income and prevent cyclical depressions will have the effect of ironing out budget deficits which are normally associated with severe depression.

Much of the public capital expenditure by public authorities which has been described is likely to be remunerative in the commercial sense and will amortize itself.

Reduction of Dead-weight War Debt

Nevertheless the general growth of public indebtedness needs to be watched from a central standpoint. As a result of two wars within one gen-

eration, the national debt is now extremely large, both absolutely and in relation to the national income. Whatever problems may arise from the growth of productive or semi-productive debt, they will be mitigated if the country can move as soon as possible into a state of affairs in which an effective reduction can be made from year to year in that part of the public debt which is a dead-weight war debt.

The policy of steadily decreasing the dead-weight debt, while other forms of debt are increasing, does not mean a rigid policy of balancing the budget each year regardless of the state of trade. At the same time, to the extent that the policies proposed in this Paper affect the balancing of the budget in a particular year, they certainly do not contemplate any departure from the principle that the budget must be balanced over a longer period.

Establishment of Central Economic Staff

In submitting proposals for an extension of state control over the volume of employment, the Government recognizes that it is entering a field where theory can be applied to practical issues with confidence and certainty only as experience accumulates and experiment extends over untried ground. It will be pioneering work and lessons will be learned from experience.

The Government intends to establish on a permanent basis a small central staff qualified to measure and analyse economic trends and submit appreciations of them to the Ministers concerned.

Co-operation of Government and Industry

The success of the Government's policy will depend on the skill which is shown in putting general ideas into day-to-day practice. It is therefore vital for it to obtain, more fully and much more quickly than it has in the past, exact quantitative information about current economic movements. Without this, informed control would

be impossible and the central staff which it is proposed to set up would be left to grope and flounder in uncertainty. The Government appeals to industry to join with it in a task which is essentially co-operative; for only industry can provide the statistical information required, and only a central authority can classify and analyse information drawn from the country as a whole.

Statistics Required

Following are the principal classes of statistics (in addition to those available before the war) which must be obtained for the efficient operation of an employment policy:

1. Statistics of employment and unemployment, including quarterly or monthly statements of present and prospective employment in the main industries and areas in the country, based on returns from employers.

2. Regular information relating to savings, projected capital expenditure by public authorities, and, as far as possible, by private industry.

3. An annual census of production showing the structure of the main groups of industries in the preceding year, including, *inter alia*, details of the quantity and value of output, stocks and work in progress.

4. Monthly figures of production, consumption and stocks, and, if possible, figures of orders on hand, based on sample returns obtained periodically throughout the year from large firms, trade associations, and public institutions.

5. Annual and quarterly estimates of foreign capital movements and balance of foreign payments.

It is also proposed to develop the annual White Paper on National Income and Expenditure by providing a much more complete analysis than has hitherto been possible of the constituent parts of the country's total ex-

penditure. In particular, direct estimates will be made of the various types of capital expenditure and the various sources of savings. This will be, in effect, the capital budget of the nation's wealth.

Possibility of Fresh Approach

In conclusion the Government believes that, once the war has been won, the country can make a fresh approach, with better chances of success than ever before, to the task of maintaining a high and stable level of employment without sacrificing the essential liberties of a free society.

In framing these proposals, the Government has had in mind the more general aim of securing for the nation the most effective use both of its manpower and of its material resources. That aim can be achieved only if the whole productive power of the nation is employed efficiently; it is not enough that it should be employed.

The United Kingdom Government therefore seeks to achieve both work for all and a progressive increase in the economic efficiency of the nation, as joint elements in a growing national power to produce, to earn, and to enjoy the fruits of increased well-being.

BRAZIL'S EXPORTS OF MANUFACTURES

According to official statistics, the total value of Brazil's exports of manufactured articles amounted to Cr.\$1,717,840,000 in 1943 as compared with Cr.\$369,091,000 in 1941 and Cr.\$47,600,000 in 1939. Exports of textiles rose in value from Cr.\$31,523,000 in 1939 to Cr.\$1,292,658,000 in 1943, accounting for the major part of the total gain in the four-year period. The values of other principal manufactured articles exported in 1943 were: tires and inner tubes, Cr.\$186,994,000; other rubber manufactures, Cr.\$37,979,000; chemical and pharmaceutical products, Cr.\$73,250,000; iron and steel manufactures, Cr.\$30,560,000.

WORLD WHEAT SITUATION

From the *Dominion Bureau of Statistics Daily Bulletin*

With a billion-bushel wheat crop in sight in the United States and a promising outlook for the wheat harvest in Canada, apprehension regarding wheat supplies for the crop year 1944-45 has been largely dispelled. The winter wheat crop is presently being harvested in the United States, and early returns confirm the large estimate of production. The Canadian crop, however, has quite a long way to go and has still to face the critical period of growth, but, as matters now stand, the general situation is good.

It is much too soon to interpret Canadian conditions in terms of bushels but, with a substantial increase in wheat acreage this year, maintenance of present crop prospects could only mean better-than-average production in the Prairie Provinces. Canadian farmers expressed their intention to increase wheat acreage by nearly 4,000,000 over the 1943 seeded area, but actual acreage seeded will not be known until figures are compiled for release in an official report on July 21.

Both Canada and the United States will have sizeable carryover stocks of old wheat on July 31, when the current crop year closes and, if crops of better-than-average proportions are obtained on this continent, North America will again be in a position to maintain its large live-stock population and contribute liberally to export shipments during the coming twelve months.

The Southern Hemisphere countries of Australia and Argentina are busy seeding their new wheat crops for harvest in November-December this year. Both expect to show some increase in acreage as compared with a year ago and both report generally favourable seeding conditions. The drought in parts of Australia has been relieved to some extent, but the lack of fertilizer is an unfavourable factor in the Aus-

tralian picture. Some fertilizer is being imported from South Africa, and the shortage may yet be overcome.

In the Old World, crop conditions appear still to be generally favourable. The British growers are reported to have seeded 3,000,000 acres to wheat for the 1944 harvest, or nearly double the pre-war average, and although the spring was unusually dry, there are no serious complaints about the condition of the new wheat crop. Prospects in neutral countries, principally Eire, Spain, Portugal, and Turkey, are favourable on the whole. Both Spain and Portugal report recent improvement, but both countries are likely to remain on an import basis for the crop year 1944-45.

The position in occupied countries appears also to be favourable, with the possible exception of Roumania where growth is backward and the deficiency of fertilizer is evident in many of the fields. The harvest in North Africa is believed to have yielded a fair surplus, and this can probably be used for feeding the people in Italy. The south Italian crop will also be available to the United Nations instead of the Nazis. This is largely a durum wheat area. There is a further threat to the food supplies of the Nazis in 1944 with the Allies driving up through northern Italy, where a large crop is usually produced, and now attacking in France, where the harvest has commenced in southern areas.

In India, where a wheat crop of some 387,000,000 bushels has recently been gathered, there still appears to be shortage of supplies. Conditions are not as critical as they were a year or so ago but it is expected that imports will continue to be necessary and food supplies will be generally tight over the next year.

POST-WAR DEMAND FOR MOTOR CARS

From The Economist

The British motor industry will have the opportunity after the war of becoming one of the world's great suppliers of private cars, of enjoying a period of expansion and prosperity such as it has never enjoyed before. The opportunity will arise from the heavy replacement demand, from the prospective growth in the number of potential car-owners throughout the world, and from the fact that the United States and Canada are the only two major countries besides Great Britain that are likely to resume production fairly quickly and on a large scale. The size of the replacement demand alone will be enormous. In Great Britain the greater part of the pre-war stock of cars, numbering some two million, is likely to be worn out; only a small proportion of the eight million cars in use before the war outside North America and Great Britain will still be serviceable. North America,

whose stock of cars was nearly thirty million in 1931, will also be faced with a heavy replacement demand. Even the United States, with its capacity for organizing large-scale production—in 1941 it produced $3\frac{1}{2}$ million cars—would require several years to meet its own and the rest of the world's replacement demand, let alone the demand arising from the growth in the number of potential car-owners. The British motor industry will therefore enjoy not merely a large home market but it will also have the opportunity of participating in the world market to an extent never achieved before and of developing an export trade substantially bigger than in 1938, when the total value of private cars and chassis shipped abroad was only £7½ million. But unless the industry takes swift advantage of the opportunity, it will pass, and it may never recur.

EUROPE DEPENDS ON CHEAP AGRICULTURAL PRODUCTS

From The Economist

At the beginning of this war European countries had found no solution for the smouldering agricultural crisis that affected with varying intensity one country after another. The farmers in European countries are mainly peasant proprietors; but most of the land is still concentrated in big estates. This is true, not only of highly industrialized Germany, but also of Poland and Hungary. In the south-east, Bulgaria is the peasant country *par excellence*, like Denmark in the west. But there is a vast difference between the peasant in south-eastern countries and the peasant in Denmark, who, before the war, manufactured bacon, butter and eggs, for export, using the cheap cereals and oilseeds imported from overseas for feeding stuffs. In the east and south-east, the peasant plot is still worked as a self-sufficient unit chiefly for subsistence. Consumption is fre-

quently near the starvation line, and the amount of marketable produce sold in exchange for absolutely necessary commodities varies with the vicissitudes of climate and weather. If the peasants in eastern and south-eastern Europe were to increase their consumption to the minimum recognized by scientific research, the export surpluses of most of the agricultural products would disappear.

The experience of this war has again proved that the agricultural production of the continent of Europe as a whole is insufficient for the subsistence of the peoples living on it. The predominantly agricultural countries in the east and south-east have been unable to replace the former imports of agricultural products from overseas. In other words, the industrialized peoples of the Continent still depend essentially on

cheap agricultural raw materials and processed agricultural products and fruit from outside Europe. Every country that has entered the stage of industrialization has experienced the same change in diet. The high percentage of carbohydrates provided by cereals and root crops, typical in the peasant diet, declined, and foodstuffs containing proteins, fats and vitamins formed a steadily increasing part. The most suitable diet for industrialized

populations is now recognized everywhere as a mixed diet in which proteins, fats of all kinds, vegetables and fruit are predominant. Climatic conditions vary this diet slightly, but the basic composition remains the same. Rye, the standard cereal in the flat lands of northern Europe, has a low protein content and has lost its importance as a bread cereal compared with wheat, which contains more protein.

ECONOMIC, TRADE AND PRODUCTION NOTES

Brazil

RECORD VALUE FOR 1943 TRADE

Both imports and exports in 1943 rose to the highest values in national currency ever recorded, according to statistics relating to Brazil's external trade for that year issued by the Federal Council of Foreign Trade. These statistics show the value of imports at 6,073 million cruzeiros as compared with 4,644 and 5,514 million cruzeiros in 1942 and 1941 respectively, and that of exports at 8,729 million cruzeiros as compared with 7,500 and 6,725 million cruzeiros respectively. The favourable trade balance in 1943 was thus Cr.\$2,656 million as against Cr.\$2,856 million.

While the value of external trade was at a record level, the volume of imports in 1943 was 31 per cent below that of 1939 and the volume of exports 35 per cent lower. The average value per ton of imports was 80 per cent higher in 1943 than in 1939 and the average value per ton of exports 141 per cent higher.

Countries of the Western Hemisphere supplied 88 per cent of Brazil's imports by value in 1943 as against 84 per cent in 1942, and took 70 per cent of Brazil's exports or the same as in 1942.

Cuba

LARGEST SUGAR CROP SINCE 1929

Cuba's 1944 sugar crop is estimated at 5,500,000 short tons, which will be the largest crop since 1929. Including

molasses but excluding distilled products, the total value of the crop will be in excess of \$300,000,000, which compares with an average of \$130,000,000 a year during the five-year period 1937-41.

The yields of cane per acre in the 1944 crop are above average. They are expected to reach 19 tons as against an average of slightly more than 17 tons during the previous eight years. On the other hand the sucrose content of the 1944 crop is slightly below average.

El Salvador

EXPORTS OF COFFEE

Exports of coffee from El Salvador during 1943 totalled 968,517 bags (of 60 kilos) valued at \$17,765,715—an increase over 1942 of 10.5 per cent in volume and 21.5 per cent in value. Exports to the United States accounted for nearly 96 per cent of total shipments and for 96 per cent of the value.

The value of coffee exports represented 77 per cent of the value of all exports, which amounted to \$23,076,056.

Newfoundland

RISE IN RAILWAY TRAFFIC

During 1943 the volume of freight carried by the Newfoundland Government Railway was double that of 1942, the tonnage rising from 500,000 in 1942 to 1,000,000 last year. Car mileage was approximately 7,500,000 and the number of passengers transported 415,000. The latter figure compares with a pre-war total of 146,000.

South Africa

ALL-STEEL RAILWAY COACHES

The building of all-steel passenger railway coaches may be undertaken in South Africa when supply conditions permit, according to recent reports in the Union's newspapers. With a view to replacing the present wooden coaches on the railways, the Ministry of Railways and Harbours has set up a special committee of experts to study the question. Regarding the extent of such replacement, the news reports state that the only all-steel coaches of the South African railways are those comprising the Johannesburg-Cape Town express, known as the "blue train", the operation of which has been suspended for some time.

United States

MOST FERTILIZER IN PAPER BAGS

Sixty per cent of the tonnage of fertilizer shipped in the United States in 1943 was put up in paper bags, 20 per cent in cotton bags, 2 per cent in burlap, and the remaining 18 per cent in used bags, according to a statement of the National Fertilizer Association. The quantity shipped in bulk was practically nil.

Fertilizer for export was shipped both in bulk and in bags. The bags used in the export trade usually are burlap, lined with paper.

IMPORTS OF STRATEGIC COMMODITIES

The value of deliveries of strategic commodities bought in foreign countries with United States Government funds under the Foreign Economic Administration's public procurement program amounted to approximately \$265,800,000 in the first quarter of 1944, according to an FEA announcement. The monthly average of \$88,600,000 for the first three months of this year compares with \$71,800,000 for the second half of 1943 and \$63,000,000 for the first half.

This increase in the value of public procurement abroad does not represent a corresponding decline in imports for private account. In fact, a number of commodities earlier imported by FEA

were returned to private trade during the second half of 1943 and the first quarter of this year.

Peru

FOREIGN TRADE IN 1943

Official statistics of Peru's foreign trade in 1943 show a rise in the value of imports to 449,366,000 soles as compared with 338,692,000 soles in 1942, and a decline in that of exports to 460,318,000 soles as compared with 494,962,000 soles in the preceding year. The result was a favourable visible trade balance of 10,952,000 soles as against 156,270,000 soles in 1942.

While the value of Peru's imports in 1943 increased 32 per cent over 1942, the volume declined about 2 per cent. In the case of exports, the volume was about 1 per cent lower as compared with a decline of 7 per cent in value.

Values of the principal imports and exports in 1943, with comparative figures for 1942 within parentheses, were as follows:

Imports.—Machinery and vehicles, 63,554,817 soles (54,689,000); textiles, 72,889,948 soles (53,933,406); food-stuffs, 55,823,881 soles (46,828,761); chemical products, 50,268,164 soles (35,970,880); metals, etc., 45,087,244 soles (30,040,251); paints and oils, 28,008,425 soles (25,975,432); paper and stationery, 17,848,820 soles (17,939,698); electrical materials, 13,425,992 soles (10,881,192); timber and manufactures, 12,733,799 soles (8,526,595); pottery, glassware, etc., 10,438,600 soles (7,247,680); hardware, 9,913,546 soles (6,017,425); leather, 4,376,526 soles (1,889,877).

Exports.—Ginned cotton, 69,420,158 soles (52,867,894); copper bars, 70,524,934 soles (75,961,254); gold bars, 23,678,292 soles (29,273,470); other metallic ores, concentrates, 55,966,939 soles (34,971,097); petroleum, 68,408,961 soles (85,616,175); petroleum by-products, 37,098,621 soles (29,275,429); wool (sheep, alpaca, etc.), 16,024,521 soles (11,033,576); flax and hemp, 14,131,466 soles (18,147,858); sugar, 74,519,563 soles (112,557,799).

DIRECTION OF TRADE

Imports from the United States into Peru increased considerably in value in 1943 over 1942, amounting to 253,558,000 soles as against 189,266,000 soles. Argentina was again second as a supplier, purchases from that country rising to 62,679,000 soles as compared with 42,262,000. Imports from the next four suppliers in order of importance were: Brazil, 35,655,000 soles (13,063,000); Great Britain, 26,902,000 soles (18,611,000); Chile, 23,595,000 soles (17,077,000); and British India, 10,027,000 soles (15,876,000). Australia was in seventh place at 7,520,000 soles as against only 14,000 soles in 1942, and Canada in eighth with 6,300,000 soles as compared with 9,032,000 soles in 1942.

The United States was also the leading market for Peruvian exports, with purchases valued at 195,584,000 soles

as compared with 198,683,000 soles in 1942. Chile was again in second place, shipments to that country being valued at 103,019,000 soles, a decline from 132,722,000 soles in the preceding year. Next four markets in order of value were: Great Britain, 42,888,000 soles (28,248,000); Australia, 24,692,000 soles (20,193,000); Bolivia, 19,399,000 soles (24,616,000); and Uruguay, 14,498,000 soles (14,274,000).

Uruguay

IMPORT VALUES, 1941-43

Based on the value of clearance permits authorized, imports into Uruguay in 1943 were valued at U.S.\$63,807,000, according to figures released by the Export and Import Control Board. For 1942 and 1941 the figures were U.S.\$63,662,000 and U.S.\$63,135,000 respectively.

TRADE REGULATIONS AND TARIFF CHANGES

Egypt

SUPPLEMENTARY TAX ON IMPORT AND EXPORT DUTIES

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, reports that an Egyptian decree, effective April 8, 1944, imposes an additional tax of 5 per cent, calculated on the total amount of import or export duties, as well as on the inland revenue tax in respect of products of the soil and local industry.

British Honduras

FOOTWEAR DUTIES CHANGED

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, writes that, effective as from May 12, 1944, the general rate of duty on boots, shoes, bootees, overshoes, slippers and sandals imported into British Honduras, except those made wholly or partly of rubber, balata, guttapercha or leather with rubber soles, and except all kinds not larger than adult size No. 1, has been altered from 12½ per

cent ad valorem plus 75 cents per pair to 25 per cent ad valorem. The preferential rate remains unchanged at 12½ per cent.

The rates on leather and other materials imported for the local manufacture of boots and shoes, which formerly were 12½ per cent ad valorem under the British preferential tariff and 25 per cent under the general, have also been reduced to 5 per cent and 10 per cent respectively.

Brazil

DUTY ON WINDOW GLASS

With reference to the report in *Commercial Intelligence Journal* No. 2108 (June 24, 1944), page 558, regarding an increase in the Brazilian duty on window glass up to 3.5 millimetres thick, Mr. L. S. Glass, Commercial Attaché at Rio de Janeiro, writes that the increase also applies to window glass over that thickness. The minimum tariff rate on window glass over 3.5 millimetres thick is, consequently, increased from 1.30 to 2.60 cruzeiros per kilogram (from about 3.35 to 6.7 cents per pound) legal weight.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 10, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 10, 1944, and for the week ending Monday, July 3, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 3	Nominal Quotations in Montreal Week ending July 10	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies... Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2753	.2742	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.5879	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.*

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TRADE ASSOCIATIONS IN THE UNITED KINGDOM

By J. A. LANGLEY, *Canadian Trade Commissioner in London*

The organization "Political and Economic Planning", which conducts enquiries into various aspects of economic life in the United Kingdom, has recently made a study of the structure and technique of legally constituted trade associations. Considerable public attention has been given to their report, which discloses that in numbers alone the growth of trade associations has been phenomenal.

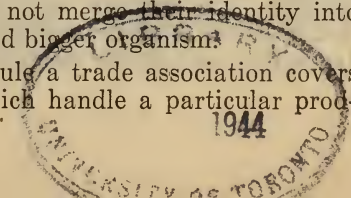
Growth in Number

In 1919 there were only about 500 trade associations, whereas at the present time the number is estimated to be as many as 2,500. These vary from the powerful organizations influencing the destiny of a great industry to the body with a much more limited scope—from the British Electrical and Allied Manufacturers Association to the Association of British Manufacturers of Needles, Fish Hooks and Fishing Tackle.

Opinion regarding the significance of these developments is widely divergent. In some quarters trade associations are claimed to be a valuable and socially beneficial instrument enabling the advantages of industrial independence to be combined with the benefits of mutual co-operation, while others take the view that trade associations are an influence for the suppression of competition and the attainment of monopoly.

Broadly speaking, trade associations are organizations of financially sovereign business enterprises formed to protect and advance the trading interests of their members. The trade association is voluntary to the extent that firms can contract in and out more or less freely, retaining their business autonomy throughout. By joining, firms do not merge their identity into a new and bigger organism.

As a rule a trade association covers firms which handle a particular prod-



uct or a small group of products at a particular stage, or at a small number of successive stages, of production and distribution. Legally a trade association may be constituted, either as a company limited by guarantee, or it may be unincorporated with objects, regulations and by-laws. Some associations maintain a staff of a hundred; others may not have one full-time official.

Functions of Trade Associations

The objects and functions of trade associations can be broadly grouped into three categories: technical, external relations, and commercial.

One of the chief activities of trade associations in the technical sphere is co-operation in connection with standardization, pooling and interchange of patents and research.

Associations of industrialists co-operate with the British Standards Institution in establishing standards with a view to simplification, elimination of waste, facilitation of production, and tendering. Standardization is often supported by a special certification mark granted by the Board of Trade under the provisions of the Trade Marks Act. Such a mark is required to be held by a body representative of the trade.

Research Associations

Pooling and interchange of patents are, in some cases, arranged through trade associations which are also active supporters, financially and otherwise, of research associations. Most research associations were established with government encouragement after the last war, when the Department of Scientific and Industrial Research was allocated £1,000,000 for the purpose of subsidizing research associations set up by private industry.

The strength of research associations differs greatly from one industry to another. In general they are most active in the modern mass-production industries, such as the electrical engin-

eering industry, which are founded upon scientific research. In some cases, however, research associations also flourish in the older industries such as cotton, where the British Cotton Industry Research Association spends about £100,000 a year.

It is believed that the main support for research associations comes neither from the larger nor from the small firms but rather from the medium-sized firms. The very large firms, although often strong supporters for the most part, maintain their own research departments, which may spend more than the whole association. The smaller firms, on the other hand, tend to regard expenditure on research as a luxury.

The number of research associations has been on the increase, although in many quarters it is thought that progress has been too slow. There was a marked expansion in the two or three years after the last war, but there has been no further great increase until recently. At present there are 27 grant-aided associations in existence.

Relations with the Government

The conduct of discussions and negotiations with government departments is considered to be the most common specific object of trade associations. Some associations were even founded at the request of government departments to establish an easy channel of communication between the latter and the trade concerned.

Government encouragement has been most pronounced in war time. But in peace time too government departments or agencies found it expedient to foster associations. Thus the Import Duties Advisory Committee, which encouraged the formation of associations in industries requiring tariffs, considered that the granting of tariffs in the iron and steel industry should be linked with the kind of reorganization of the industry which could only be formulated and carried out by an organization embracing all its sections. The British

Iron and Steel Federation was the direct outcome.

Whereas only a few associations were started under government stimulus, most, if not all, have been in touch with government departments at one time or another. In peace time the main issues dealt with were tariffs, taxation, labour questions and, of course, representations on all legislation affecting the trade or industry. The latter includes a variety of activities: informal discussions with the Board of Trade or other departments, the submission of memoranda and petitions, evidence offered on official committees of inquiry, and representations to Members of Parliament. In war time, trade associations are in contact with government departments on a much larger range of questions. Some of the most important have included allocation of materials, concentration, the limitation of supplies, labour direction, price control, zoning, utility specifications, war-risk insurance, standard packings.

At present trade representations to the Government are increasingly concerned with problems of post-war policy. Associations, many of which have been invited by the President of the Board of Trade to make their views known, have urged the Government to give assurances on the removal of certain controls found irksome by the particular trade, on the disposal of government-owned plant and stocks, on changes in fiscal policy, on demobilization, and similar issues.

Co-operative Advertising

Co-operative advertising plays an important part in the work of some trade associations. One relatively small association, for instance, spent some £40,000 in a single advertising campaign financed by a special levy on its members, while expenditure on educational services is common. The organization of joint shows or exhibitions is a fairly usual activity.

There has recently been an increase in what are known as development

associations, which organize co-operative advertising campaigns and disseminate educational propaganda by means of lectures, film shows, exhibitions, trade catalogues, and trade papers. They may also do a limited amount of research in order to find new uses for a given product. In some cases development associations, so as to be able to command sufficient technical authority, require members to observe certain minimum standards of quality.

Commercial Activities

As regards commercial functions, there is a distinction between non-regulative and regulative activities.

Under the first group come the maintenance of credit bureaux, machinery to facilitate the collection of outstanding debts, schemes of mutual insurance against bad debts, against workmen's accidents or, occasionally, against strikes (although this is a function more commonly assumed by employers' federations), schemes to assure the return of packing cases and bottles, and market research, especially in export markets.

The last is, perhaps, the highest form of co-operative action of this kind, since, to be effective, it must involve the passing on of information of existing trade connections, even if only to the secretariat and not to the other firms. It is sometimes a starting-point for joint selling schemes, or at least for the issue of joint trade catalogues or joint publicity in some other form.

Joint purchase of materials represents another, although far less common, type of commercial co-operation belonging to this category. Occasionally it is carried out by a normally constituted trade association, but in some cases it is done by a special agency established as a company limited by shares. This may either function on behalf of the association or on behalf of a number of otherwise quite loosely associated or unassociated individual firms.

Price Control

The second group of functions covers: (a) modification of price competition; (b) control of the channels of distribution; (c) regulation of productive activity; and (d) centralization of selling activities.

Only in very few cases is price regulation listed as one of the objects of trade associations. It appears to be relatively rare for national industrial associations to deal with price arrangements, and much more common for sectional, regional or local associations, or even non-associated groups of firms on a sectional or local level, to settle these matters in an informal way.

A number of associations have adopted uniform methods of cost accounting. This arrangement may to some extent serve the purpose of preventing under-cutting. It may make it more unlikely that firms will quote prices that are too low merely because they do not know what their costs really are for any given job, or how to calculate them accurately.

Although there are no known cases where members of an association have agreed to disclose actual costs to each other, there are a few associations whose members pool their costs. These are then independently analyzed. Members are thereby enabled to compare their own costs with the average.

Some associations require their members to notify the secretariat of price quotations. In some cases there may be machinery for re-adjusting quotations in response to a given tender so that the various members take turns in quoting the lowest price and in obtaining the contracts. This fairly elaborate scheme really amounts to market sharing and represents a rather highly developed form of competition control. More commonly the secretariat merely circulates its list of price quotations among its members and these revise their quotations on the basis of those of the leading firm or firms in the industry.

Control of Distribution

Distribution control has long been an important instrument for the control of competition, both among manufacturers and among distributors. On the one hand devices such as deferred rebates, tying contracts, and stop lists serve to keep distributive channels open to certain manufacturers and to close them to "independents". On the other hand they serve to eliminate price-cutting among distributors if they are also combined with resale price maintenance. In the case of consumer goods, they are usually so combined, since it is often in the interest of the manufacturers that distributors should not compete by cutting their margins to the point at which it becomes unprofitable to stock the products in question.

Export Promotion

One of the purposes of some associations is the promotion of exports. It is thought that this will become more prominent with the formation, since early in 1940, of some 280 export groups. These export groups will doubtless be a useful medium for conducting specialized market research and overseas publicity schemes and for promoting co-operative marketing schemes.

Since they are largely conterminous, if not identical, with the various trade associations (by whom they are often staffed), this will automatically strengthen the trade association movement. Already the setting up of export groups has brought firms into the association movement which had previously been outside and, with the establishment of this particular point of contact, other common interests will doubtless be discovered and developed.

Public Policy

With regard to public policy towards the restrictive activities of trade associations, the recent government statement on post-war economic policy referred to the intention "to seek power

to inform themselves of the extent and effect of restrictive agreements and to take appropriate action to check practices which may bring advantages to sectional producing interests but work to the detriment of the country as a whole". This appears to indicate some

measure of official supervision of certain trade associations in the interests of the consumer. The expansionist and improvement activities of associations are generally recognized to be beneficial to the interests of the community as a whole.

OVERSEAS TRADE OF AUSTRALIA IN 1942-43

By K. F. NOBLE, *Acting Trade Commissioner at Sydney*

During the year ended June 30, 1943, the total value in British currency of Australia's overseas trade was £310,352,000 (\$1,396,584,000), which was an increase of £33,787,822 over the previous year's total of £276,564,178.

Total imports were valued at £212,107,000 (\$954,481,500) as compared with £149,356,000 in 1941-42, an increase of £62,751,000. On the other hand, there was a decrease of £28,623,000 in the total value of exports, which amounted to only £98,245,000 (\$442,102,500) as compared with £127,208,000 in the previous year.

As in the last few years there was an adverse balance of trade, amounting to £113,862,000 as compared with £22,248,000 in 1941-42.

Since statistics showing the direction of trade are still unavailable owing to

wartime restrictions, an analysis of the trading position in relation to individual countries cannot be given. With the exception of figures for gold, silver and bronze specie, and certain essential war materials, however, statistics covering imports and exports by main classes are available and these afford an interesting indication of the trends in Australia's trade.

The table shows the values of Australia's exports and imports by main classes during the years 1941-42 and 1942-43.

Exports

(Values of exports are shown in the following paragraphs in Australian currency; £A1 equals \$3·5760 Canadian)

As indicated in the table, there was a marked decrease in the total for:

Australian Exports and Imports by Main Classes

	Exports		Imports	
	1941-42	1942-43	1941-42	1942-43
	Pounds	Australian	Pounds	Sterling
Foodstuffs of animal origin.....	27,980,804	23,445,379	804,512	843,054
Foodstuffs of vegetable origin.....	19,833,310	16,343,822	5,377,590	6,347,938
Spirituuous and alcoholic liquors.....	2,646,009	1,320,689	345,403	152,094
Tobacco	841,248	676,606	827,658	1,567,335
Live animals	114,172	56,757	32,011	6,313
Animal substances, not foodstuffs.....	64,523,111	48,168,960	764,212	623,142
Vegetable substances	511,484	542,766	*	*
Apparel, textiles and yarns.....	*	*	28,711,895	25,874,665
Oils, fats and waxes.....	*	*	†	†
Paints and varnishes.....	209,137	184,390	688,895	447,433
Stones and minerals	*	*	*	*
Metals, metal manufactures and machinery	*	*	*	*
Rubber and leather.....	*	*	*	*
Wood and wicker.....	919,921	479,790	*	*
Earthenware, glass and stoneware.....	352,465	163,976	1,913,493	896,504
Paper and stationery	444,700	476,574	3,804,193	2,046,177
Jewellery and fancy goods.....	145,651	39,458	756,926	468,805
Optical, surgical and scientific instruments	306,791	382,451	1,898,957	1,554,649
Drugs, chemicals and fertilizers.....	1,514,666	1,106,004	*	*
Miscellaneous	†	†	†	†
Totals	159,328,498	123,052,435	149,355,797	212,106,701

* Figures not available for publication.

† Included in total.

1942-43, which amounted to £A123,052,435 as compared with £A152,328,498 in 1941-42.

For national security reasons, the publication of total values of exports in the following classes is not permitted: apparel, textiles and manufactured fibres; oils, fats and waxes; stones and minerals; metals, metal manufactures and machinery; rubber and leather; and miscellaneous.

Of the classes for which figures are published, the largest decrease was in exports of animal substances, not foodstuffs, which totalled £A48,168,960 as compared with £A64,523,111 in 1941-42, a decline of £A16,354,151. Exports of greasy wool fell to £A37,694,261 (£A47,831,780); scoured wool and tops to £A6,623,927 (£A10,209,333); rabbit skins to £A1,986,198 (£A3,368,644); and sheepskins to £A1,386,418 (£A2,140,613).

Exports of foodstuffs of animal origin, the next largest group, were valued at £A23,445,379, showing a decrease of £A4,535,425 from the previous year's total of £A27,980,804. There was an increase in exports of frozen lamb, which totalled £A5,182,558 (£A4,498,081 in 1941-42), but decreases occurred in the other six main items, namely: butter, £A8,085,660 (£A8,124,975); meat preserved in tins, £A3,238,306 (£A4,550,344); milk and cream, £A1,858,137 (£A2,059,724); cheese, £A1,225,184 (£A1,428,118); frozen beef, £A560,745 (£A2,498,416); and eggs, £A384,731 (£A1,165,442).

The value of exports of foodstuffs of vegetable origin, third in order of size, amounted to £A16,343,822 as compared with £A19,833,310 the previous year, a decrease of £A3,489,488. Values of the chief items in this group were: wheat, £A4,884,310 (£A4,644,793); wheaten flour, £A3,494,440 (£A4,191,382); raisins, £A1,813,713 (£A1,958,522); biscuits, £A1,215,065 (£A709,916); and sugar, £A1,001,353 (£A2,636,430).

Spirituous and alcoholic liquors were exported to a total value of £A1,320,689 (£A2,646,009), a decline of £A1,-

325,320, decreases occurring in all items in this group, as follows: ale, beer, porter, cider and perry, £A633,307 (£A1,539,650); spirits (beverages), £A390,339 (£A608,495); wine, £A297,043 (£A497,864).

Exports of wood and wicker were practically halved, totalling only £A479,790 (£A919,921). These comprised timber, £A425,363 (£A722,525), and wood and wicker manufactures, including furniture, £A54,427 (£A197,396).

Of the remaining nine classes for which figures are available, increases were shown in the following three: vegetable substances, £A542,766 (£A511,484); paper and stationery, £A476,574 (£A444,700); and optical, surgical and scientific instruments, £A382,451 (£A306,791). There were decreases in the other six, as follows: drugs, chemicals and fertilizers, £A1,106,004 (£A1,514,666); tobacco, £A676,606 (£A841,248); paints and varnishes, £A184,390 (£A209,137); earthenware, glass and stoneware, £A163,976 (£A352,465); live animals, £A56,757 (£A114,172); jewellery and fancy goods, £A39,458 (£A145,651).

Imports

(Values of imports are shown in pounds sterling; £1 equals \$4.47 Canadian)

During the year under review there was an increase of £62,750,904 in the value of imports, the total amounting to £212,106,701 as compared with £149,355,797 in the year 1941-42, when there was an increase of £40,705,741 over the total for 1940-41.

As in 1941-42, the increased value of imports in 1942-43 was due to the operation of the Lend-Lease Agreement between Australia and the United States.

Figures for imports by countries of origin are also not published for national security reasons and statistics on the total values of imports are likewise unavailable for the following commodity groups: vegetable substances; oils, fats and waxes; stones and minerals; metals, metal manufactures and

machinery; rubber and leather; wood and wicker; drugs, chemicals and fertilizers; and miscellaneous.

METALS, METAL MANUFACTURES AND MACHINERY

Imports in this group are shown under two sub-headings. Figures are published for a few of the items in each.

Machines and Machinery.—Imports of other electrical machinery and appliances were valued at £1,892,797 (£1,435,279); covered cable and wire, £1,014,423 (£1,029,423); roller and ball bearings, £804,392 (£588,894); dynamo electric machines, £559,206 (£581,024); yarn and textile-making machinery, £352,270 (£574,971); and sewing machines, £278,678 (£275,850).

Metals and Manufactures.—Of the items for which figures are available, imports of tools of trade amounted to £1,165,262 (£927,715); motor cycles, side-cars, etc., £601,116 (£301,179); plated ware and cutlery, £426,389 (£633,958); cycles and cycle parts, £221,028 (£377,272); lamps and lamp-ware, £163,160 (£180,212); wire, £154,595 (£99,448).

VEGETABLE SUBSTANCES

Increased figures were shown for linseed, £687,213 (£595,446); gums and resins, £587,561 (£584,922); and copra, £318,308 (£225,563). Decreases occurred in pulp for papermaking, £588,451 (£852,276); fibres other than raw cotton and kapok, £435,131 (£660,166); and tanning substances, £170,659 (£255,327).

OILS, FATS AND WAXES

There were decreases in imports of fats and waxes, £251,491 (£395,668); linseed oil, £92 (£1,429); and olive oil, £12 (£29,685).

STONES AND MINERALS

Under this heading the figures released are: asphalt, bitumen and pitch, £160,215 (£201,810); stones other than

abrasives, £14,481 (£15,533); and other minerals, £884,549 (£655,327).

RUBBER AND LEATHER

This group comprises two sections: rubber and manufactures, and leather and manufactures.

While the total value of imports in this group is not available, full particulars of imports in the second section—leather and manufactures—have been released. These totalled £55,025, a decrease of £77,297 from the previous year's total of £132,322. Imports of leather amounted to £28,904 (£58,764) and of leather manufactures to £26,121 (£73,558).

Figures for total imports of rubber manufactures and for crude rubber, rubber waste, masticated rubber, etc., are not available. Imports of pneumatic and other rubber tires amounted to £216,386 (£147,746); boot and apparel elastic and rubber thread, £54,144 (£235,499); and other rubber manufactures, £28,298 (£108,881).

WOOD AND WICKER

Under this heading the only figures available are those for wood and wicker manufactures, including furniture, £87,475 (£167,161); and dressed timber, £56,491 (£82,711).

DRUGS AND CHEMICALS

The value of total imports in this group, and the values for acids and other drugs and chemicals, are not available. Imports of dyes were valued at £512,397 (£613,890); proprietary medicines, £499,757 (£306,575); fertilizers, £386,390 (£540,333); non-spirituos essential oils, £147,795 (£141,942); and insecticides, washes and dips, £122,026 (£158,442).

FOODSTUFFS OF VEGETABLE ORIGIN

An improvement of £970,348 was shown in the total imports under this heading, which were valued at £6,347,938 (£5,377,590). The leading commodity in the group is tea, imports of which were valued at £3,971,200 (£3,919,448).

TOBACCO

An increase of £739,677 was shown in imports under this heading, the total value being £1,567,335 as against £827,658 in the previous year. Unmanufactured tobacco was the principal import with a value of £1,280,181 (£745,874), followed by cigarettes valued at £174,464 (£33,123), and manufactured tobacco at £112,329 (£47,021).

FOODSTUFFS OF ANIMAL ORIGIN

There was a small increase of £38,542 in this group, imports totalling £843,054 as compared with £804,512 in the previous year. Of interest is the improved figure for fish preserved in tins, imports of which amounted to £525,872 (£225,514). Imports of sausage casings, the second largest item, declined to £115,075 (£345,865), and those of fish, fresh, smoked, potted and concentrated, to £98,005 (£133,647); while imports of potted or concentrated meats rose to £50,096 (£10,885).

APPAREL, TEXTILES AND MANUFACTURED FIBRES

Total imports under this heading amounted to £25,874,665 as compared with £28,711,895 in 1941-42, a decline of £2,837,230. This classification is divided into three sections.

Apparel and Attire. There was a decrease in this section of £1,168,636, the total value of imports amounting to only £775,410 as against £1,944,046 in the previous year. An increase was shown in imports of trimmings and ornaments, which were valued at £350,013 (£299,288), but decreases were shown in all the other items. Chief among the latter were: other apparel and attire, £320,467 (£770,975); gloves, £38,133 (£475,404); buttons, £34,070 (£76,682); boots and shoes, £21,306 (£50,236); hats and caps, £4,333 (£114,205).

Textiles. Imports in this section totalled £18,804,111 as compared with

£20,847,161 in the previous year, a decline of £2,043,050, which was largely due to a fall in imports of carpets and floor coverings to £144,810 from £1,801,300 in 1941-42. The leading item under this heading was cotton and linen piece-goods, imports of which amounted to £8,052,190 (£7,923,903). Next in order were: piece-goods of silk, including artificial silk, £4,152,761 (£4,107,265); canvas and duck, £1,416,794 (£901,112); piece-goods other than those already mentioned, also velvet, woollen and lace, £1,208,453 (£1,114,032); and hessian and other jute piece-goods, £1,081,089 (£1,204,182). Imports of sewing and other cottons were valued at £672,394 (£693,176) and those of towels and towelling at £353,301 (£617,849).

Yarns, Manufactured Fibres, Etc. An increase of £374,456 was shown in the total imports in this section, which amounted to £6,295,144 as compared with £5,920,688 in 1941-42, but decreases occurred in the two main items, namely, corn and flour sacks, £2,236,364 (£2,690,805) and artificial silk yarns, £1,044,853 (£1,351,188). Increases were shown in cotton yarns, £1,085,182 (£714,825); woolpacks £855,405 (£504,162); and cordage and twines, £415,579 (£287,831).

PAPER AND STATIONERY

There was a decrease of £1,758,016 in imports under this heading, the total value falling to £2,046,177 from £3,804,193 in 1941-42. This class is divided into two sections.

Paper. Total imports in this section showed a decline of £1,395,464, amounting to £998,598 as against £2,394,062 in 1941-42. Decreases occurred in all items except parchment, which rose to £146,278 (£130,872). Imports of writing and typewriting papers were valued at £194,179 (£263,079); wrapping paper, £122,392 (£241,268); printing paper, £116,634 (£1,077,006); millboards and other boards, £58,882 (£138,487); other papers, £360,233 (£543,350).

Stationery. Imports under this heading totalled £1,047,579 as against £1,410,131 in the previous year, a decline of £362,552. There were decreases in all items, as follows: books (printed) directories, etc., £633,674 (£779,732); pens and pencils, £109,192 (£145,437); price lists, catalogues, circulars, £14,015 (£27,541); paperhangings and wallpapers, £329 (£66,999); other stationery, £290,369 (£290,422).

OPTICAL, SURGICAL AND SCIENTIFIC GOODS

A decline of £344,308 was shown in the total value of imports under this heading, which amounted to £1,554,649 (£1,898,957). Lower figures were recorded for all items except optical, meteorological instruments, etc., £238,545 (£138,818). Imports of surgical and dental instruments were valued at £710,186 (£717,835); films for cinematographs, etc., £369,342 (£532,653); other instruments, £217,664 (£467,600); and talking machines, phonographs, etc., £18,912 (£42,051).

EARTHENWARE, GLASS AND STONEWARE

A decrease of more than 50 per cent, amounting to £1,016,989, occurred in this group, the total value of imports being only £896,504 as compared with £1,913,493 in 1941-42. Imports of crockery and other household ware amounted to £411,220 (£740,709), and of glass and glassware to £333,036 (£741,461).

ANIMAL SUBSTANCES, NOT FOODSTUFFS

Arrivals under this heading had a total value of £623,142 as compared with £764,212 during 1941-42, a decrease of £141,070. Imports of calf, cattle and horse hides and skins increased to £315,507 (£154,396), but decreases occurred in the import values of wool, £64,709 (£113,996); gelatine and glue of all kinds, £17,735 (£21,-

779); raw silk, £13,266 (£89,019); hair and fibres, £10,782 (£167,836).

JEWELLERY AND FANCY GOODS

There was a decrease of £288,121 in this class, the total value of imports amounting to only £468,805 as compared with £756,926 in the previous year. The items of chief interest were: pearls, cameos, etc., £177,610 (£107,381); timepieces, watches, clocks, etc., £155,993 (£253,287); fancy goods, other than articles for games and toys, £105,356 (£198,872).

PAINTS AND VARNISHES

Imports in this classification showed a decrease of £241,462, their total value being £447,433 as compared with £688,895 in 1941-42. Purchases of paints and colours totalled £440,148 (£668,933), while those of varnishes, stains and lacquers amounted only to £7,285 (£19,962).

SPIRITUOUS LIQUORS

Imports of spirituous liquors amounted to £152,094, a decrease of £193,309 from the previous year's total of £345,403. The chief item in this class is whisky, imports of which declined to £107,527 (£299,780); gin imports totalled £11,501 (£20,552).

MISCELLANEOUS

As earlier noted, the total value of imports in this group is not available. Of those items for which figures have been published, goods imported per parcel post amounted to £416,049 (£630,981); articles of celluloid and sheets, £203,801 (£179,796); brushware, other than household vacuum cleaners, £19,081 (£62,166); soap, £9,487 (£35,938); bags, baskets, trunks, etc., £9,373 (£119,692); oilmen's stores, £7,424 (£38,870); musical instruments and parts, other than pianos and player pianos and parts, £7,272 (£34,142); pianos, £2,255 (£7,649); vacuum cleaners for household use, £932 (£79,870).

Sydney, June 21, 1944.

HOUSING PLANS FOR ST. JOHN'S, NEWFOUNDLAND

By R. P. BOWER, *Acting Trade Commissioner at St. John's*

II—Extent of Housing Needs and Materials Supply

A preliminary study of information gathered through a questionnaire submitted to wage-earners, indicates that accommodation will be required in the following proportions: 1 and 2 bedrooms, 20 per cent; 3 bedrooms, 52; 4 bedrooms, 21; over 4 bedrooms, 7 per cent.

British and United States housing experts suggest that the ideal position regarding housing is reached when about 5 per cent of houses are vacant. This keeps rents and land prices at a reasonable level and allows the tenant to shift about. In such a situation the house owner will get a fair return but not a scarcity value for his house.

Extent of Housing Needs

In St. John's there are exactly 7,005 dwellings within the city limits, according to the City Assessor's figures. The Commission examined 4,613 of these in its survey, and concluded that there were at least 1,500 more families

than houses in the St. John's area. Such a situation creates "scarcity value" for all living accommodation. On this basis, St. John's must put up at least 1,500 houses in order to get to the position of one family per house.

However, if approximately 1,000 houses which have been classed as unfit for habitation are pulled down, it will be necessary to erect at least 2,500 in order to provide for one house per family. Consequently, the worst dwellings cannot be pulled down until at least 2,500 houses have been built a situation which emphasizes the length of time required before any worthwhile housing scheme can be completed. In all, it is estimated that 3,000 new houses will be necessary if the community is to be properly housed.

Condition of Existing Housing

The Commission's survey, as already noted, covered 4,613 houses, which were roughly classified as follows:

Class A—Excellent	260	..
Class B—Good	736	
Class C—Fair	1,867	
Class D—Tolerable but poor, and better replaced.....	1,000	
Class E—Bad; ought to be condemned at an early date.....	525	
Class F—Very bad; ought to be condemned at once.....	225	

A further description of these six classifications, the proportion each forms of the total houses surveyed, and an analysis of their bathing and sanitary facilities, follows:

- A. Luxury: 5.6 per cent of total; 100 per cent bath and sewerage.
- B. Good: 15.9 per cent; 100 per cent bath and sewerage.
- C. Fair to poor: 40.5 per cent; 99.9 per cent water and sewerage and 38.5 per cent bath.
- D. Semi-slum: 21.7 per cent; 92.8 per cent water and sewerage and 10 per cent bath.

E. Bad slum: 11.4 per cent; 44 per cent water and sewerage and 0.08 per cent bath.

F. Wrecks of houses: 4.9 per cent; 21 per cent water and sewerage and 0.4 per cent bath.

Thus 38 per cent of the houses examined were in the semi-slum or slum class. Over 50 per cent had no bathtubs. Since the poorest houses conceived by the Housing Commission would include a complete bathroom, with hot and cold water, modern layout, a firm foundation, and some degree of insulation, it becomes apparent

that any people moving into the housing area would automatically secure accommodation better than 65 per cent of the population enjoy to-day.

This would automatically create a social problem, since the better class workingman would not be among the first to be moved and would find himself in poorer accommodation than his less competent neighbour. Furthermore, he would be in the unfortunate position of contributing, through taxation, to the maintenance of conditions for others which he could not obtain for himself. This condition would be only temporary as the authorities would hope so to improve living standards that all substandard homes would ultimately be replaced by more modern ones.

Management of Development

The Commission suggests the formation of a St. John's housing corporation which would manage all properties on behalf of the city, everything to be developed in accordance with the master plan when required. This corporation would undertake and control the planting of trees, shrubs, hedges, the decoration of open spaces and the development of parks, recreational grounds or other municipal amenities in the area.

Supply of Building Materials

Since the housing project, in its later stages particularly, would be in part an employment measure, the general policy would be to secure as large a portion of the building materials locally as possible. Sawmills in Newfoundland would be capable of producing the bulk of the joists and rough lumber for frame construction. A tariff of \$8.25 per 1,000 feet would reserve this market for local timbers almost exclusively. The position would be the same with dressed lumber on which the current rate is \$11.50 per 1,000 feet. Douglas fir, oak, maple, pitch pine, beech, green heart and iron-wood lumber under 5 inches square, are subject to a duty of \$5.65 per 1,000 board feet,

and it is probable that such types would only be taken where local ones would be unsuitable. Prefabricated houses, of outside origin, would appear to be eliminated as a possible factor in the program since such material would enter Newfoundland at the rates prevailing on manufactured lumber and these rates would render them non-competitive.

In view of the employment factor it is unlikely that the authorities would be interested in reducing the duties to enable imported materials or prefabricated buildings to come in. On the other hand, plumbing and heating fixtures and a wide variety of other materials, including electric light fixtures, wiring devices, cement and other products, will have to be imported. Whether or not the customs tariff will be further modified as a contribution to keeping the cost of dwellings down it is hard to say.

There will be a steady demand for Canadian lines. It is unlikely that this demand will attain large proportions until the war in the European theatre is finished, and building costs in this country are generally reduced and supplies more easily obtained. At the same time, the present moment is opportune for establishing connections for building lines so that when the scheme does get under way full details of the commodities offering will be available to the authorities concerned.

Any Canadian firms interested in further details of this housing development should make inquiries direct to the Canadian Trade Commissioner's office at St. John's Newfoundland.

St. John's, June 26, 1944.

DANUBE POWER SCHEME

A Roumanian commission has reported that 1,000,000 horsepower could be easily obtained by development of the water power at the Iron Gates. Further, as the result of the damming of the Danube for this purpose, shipping on the river could be increased by five to six million tons a year.

CEILING PRICES IN THE UNITED STATES

By L. H. AUSMAN, *Acting Trade Commissioner at New York*

Canned Fish

ITEMS COVERED

The Office of Price Administration, in a move to reduce retail prices for canned fish and seafood, has established regulations limiting the mark-up allowed to all distributors of certain items, except wholesalers and retailers. Sales by the latter are governed by other regulations.

Effective July 17, Maximum Price Regulation 542 permits a mark-up of 6 per cent over cost for primary distributors only, selling in less than carload lots. Other distributors must sell at suppliers' f.o.b. price plus incoming freight.

At present all primary distributors and other "pre-wholesale" handlers of canned fish and seafood are controlled by the General Maximum Price Regulation, which limits prices to the highest charged in March, 1942. In the case of new brands not then handled, a distributor has been able to establish a maximum price at levels which a competitor charges for comparable goods.

DEFINITIONS OF DISTRIBUTORS

A primary distributor is one who is not a wholesaler or retailer and who (a) purchases all he sells for his own account without packing or processing any part of it, (b) customarily makes at least 50 per cent (by dollar value) of his purchases from canners or processors in carload quantities, delivered for storage into a warehouse or other receiving point not owned or controlled by any of his customers or the supplier, (c) resells at least 50 per cent of his purchases in less than carload quantities, and (d) carried on business in this manner before April 28, 1942.

"Other distributors" are any who, not being primary, wholesale or retail distributors, purchase all they sell for their own account and resell it without packing or processing any part.

The canned fish and seafood items to which this regulation applies are Maine and California sardines, domestic crabmeat, salmon, mackerel, tuna, bonito and yellowtail, shrimp, Eastern and Gulf oysters, Atlantic sea herring and alewives, clams, fish flakes, and all other canned domestic fish and seafood, now priced under the General Maximum Price Regulation.

These ceiling prices apply in the United States and distributors here of Canadian canned fish will be governed by them in reselling to wholesalers or retailers.

Canned Fish Flakes

With a view to restoring production of fish flakes after an interval in which none has been canned, the Office of Price Administration recently established canners' dollar-and-cents per case maximum prices for this commodity at levels above those of March, 1942.

Canners' prices f.o.b. shipping point nearest their warehouse as shown in the table, became effective June 5, under Maximum Price Regulation 537.

The prices shown are gross prices and the seller deducts therefrom his customary allowances, discounts and differentials to purchasers of different classes.

For container sizes, styles of pack or species of canned fish flakes not listed in the table the maximum price is to be determined by the Office of Price Administration in line with these prices. While pollock, hake and flounder flakes were not previously packed to any extent it is understood that Government procurement agencies now desire to obtain them.

It is stated by the O.P.A. that the new ceilings reflect the increased cost of raw material but that margins for processing and distribution have been kept at the March, 1942, level.

Container Size	Variety	Maximum price per case of 24 cans
No. 300 x 407	Canned haddock fish flakes.....	\$ 8.40
No. 307 x 400	Canned haddock fish flakes.....	9.60
No. 307 x 409	Canned haddock fish flakes.....	10.70
No. 300 x 407	Canned codfish flakes.....	8.00
No. 307 x 400	Canned codfish flakes.....	9.10
No. 307 x 409	Canned codfish flakes.....	10.05
No. 300 x 407	Canned pollock fish flakes.....	6.00
No. 307 x 400	Canned pollock fish flakes.....	6.40
No. 307 x 409	Canned pollock fish flakes.....	7.10
No. 300 x 407	Canned hake fish flakes.....	6.00
No. 307 x 400	Canned hake fish flakes.....	6.40
No. 307 x 409	Canned hake fish flakes.....	7.10
No. 300 x 407	Canned flounder fish flakes.....	6.90
No. 307 x 400	Canned flounder fish flakes.....	7.70
No. 307 x 409	Canned flounder fish flakes.....	8.70
No. 300 x 407	Canned haddock and codfish flakes.....	8.20
No. 307 x 400	Canned haddock and codfish flakes.....	9.30
No. 307 x 409	Canned haddock and codfish flakes.....	10.40

REASONS FOR SETTING CEILINGS

In the past a great deal of the fish flakes pack has gone to the armed forces. This, together with war shortages of certain other foods, made it desirable to establish a level of prices which would restore production. Until July of last year the packers had faced a situation in which fresh fish prices were rising rapidly, while their prices were frozen. In July, 1943, fresh fish prices were brought under control at levels considerably under going prices but on most species somewhat above those prevailing early in 1942.

The new prices apply to packers in the United States; but Canadian shippers should bear in mind that primary distributors will be governed after July 17, by MPR 542 (see accompany-

ing report on canned fish prices). Wholesalers and retailers set their prices by fixed mark-up formulae.

LABELLING OF PRODUCT

Canadian packers of canned fish flakes are reminded that the designation "chicken haddie" should be used only when the entire contents of the tin consist of young haddock. The United States Food and Drug Administration is required to reject or compel the relabelling of any product improperly described. It is desirable that the contents be shown on the label, preferably in the order of the preponderance of each species, if it is mixed. The exact proportion of each need not be shown.

New York, July 5, 1944.

NEED CO-ORDINATION OF POST-WAR TRADE POLICIES

From the Report of the *Economic and Financial Committees* to the *League of Nations Council* on the Work of the 1943 Joint Session

All over the world the war has created new stresses and disequilibria which will call for special remedies or involve radical readjustments.

Many of the countries which have been devastated by the war will have to rebuild their whole economic system and the future commercial policies of these countries will be largely determined by the degree of international co-operation on which they can rely for their relief, rehabilitation and reconstruction as well as for their future development.

Other countries, which have not been so devastated, have lost, as the result of the war, assets and investments accumulated by past generations and their commercial policy will inevitably be influenced by the degree to which the gap in their balance of payments can be filled by the expansion of exports.

Yet another group of countries have suffered little direct damage from war operations and have intensified their industrial development. These countries will wish not only to maintain

these industries but to carry further the process of industrialization on which indeed the improvement of the standard of living of certain of them will undoubtedly depend.

In all countries, there will be an immense readjustment of productive industry from war to peacetime requirements; and the more their respective policies can be co-ordinated, the easier will be the process of recovery and the better the prospects of restoring general business activity.

There will inevitably be problems of inter-relationships e.g. between those countries which seek to revive a trade system based on private enterprise and those which prefer to maintain a system of governmental control; but we see no reason why satisfactory solu-

tions should not be found for these varying problems. Indeed, the situation in the immediate post-war period, when the shortage of goods will reduce the incentives to restrictionist policies, will be exceptionally fluid.

In our view it is of cardinal importance that the governments should formulate, as rapidly as possible, joint policies to mould this fluid condition before it has crystallized and to direct the trends during the transition period so as to establish an international system of maximum trade with rising living standards and the fullest employment of economic resources in all countries unhampered by unduly high tariffs, exchange controls, and quantitative restrictions.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

OFFICIAL ESTIMATE OF 1943-44 GRAIN CROP

Mr. J. A. Strong, Commercial Attaché at Buenos Aires, writes that the third and final official estimate of the production of the 1943-44 grain crop has been issued and is as follows: wheat, 249,832,000 bushels; flaxseed, 61,929,000 bushels; oats, 5,996,403 bushels; barley, 33,012,484 bushels; rye, 21,936,964 bushels; millet, 34,320 short tons.

These figures represent increases in all cases over the 1942-43 crop, the gains for the different crops being: wheat, 6.2 per cent; flaxseed, 16.7; oats, 59.4; barley, 105.3; rye, 269.2; millet, 11.4 per cent.

The 1943-44 wheat crop is reported officially as including 10 per cent of hard wheat, 76 per cent of semi-hard wheat, and 14 per cent of soft and rejected wheat.

Australia

LOW SUGAR PRODUCTION IN 1943

Australia's output of sugar in 1943 is placed at 521,000 tons, the lowest quantity since 1927. In 1942 the out-

put was 649,500 tons. The annual report of the Australian Sugar Producers' Association states that last year's decline was due to lack of labour and tractor power for cultivation and to insufficient fertilizer supplies. A better crop is in prospect this year, but the results will depend upon weather conditions and the adequacy of labour for harvesting.

WHEAT AND FLOUR SITUATION

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on July 17 regarding the Australian wheat and flour situation as follows:

Australian wheat stocks at the beginning of July totalled 157,000,000 bushels. Figures are not available yet as to the acreage sown to wheat, but it is probably about 8,300,000 acres. The season has not been propitious and fertilizer is still in short supply. Early rains are badly needed in Victoria and South Australia where conditions are very dry, while further rains are needed in South and Western Australia where weather conditions have been reasonably good. There has been some damage from frost.

The rate of export for wheat and flour is unchanged and flour mills are working at 89 per cent of capacity. Sales of offals and wheat for stock foods continue at high levels.

Cuba

UNITED STATES SUBSIDY ON FLOUR

Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, writes that the War Food Administration of the United States announced on July 6 that arrangements have been made to continue the export of flour to Cuba under an export subsidy program for the remainder of 1944.

The subsidy paid when the program was inaugurated on March 29 last amounted to \$1.25 per 100 pounds, (see *Commercial Intelligence Journal* No. 2098; April 15, 1944, page 325). The subsidy was increased to \$1.45 per 100 pounds on April 6, and this rate continued in force until May 1, when the program was temporarily suspended, shipments having reached 75 per cent of Cuba's 1944 requirements.

The new subsidy rate, when announced, may be subject to change from time to time, and will be governed by the price of wheat flour in the United States.

South Africa

MANUFACTURE OF RUBBER FROM VINES

Following upon satisfactory experiments in the production of rubber from landolphia vines (a sub-tropical creeper), a factory is now being erected in South Africa for manufacture of rubber from this source and will shortly be in operation. In a statement to that effect in the Union House of Assembly last month, the Minister of Economic Development, as reported by *Reuter*, said that, owing to the relatively high cost of production, there would be little prospect for this industry after the war.

CANNED GOODS OUTPUT

The canned goods output of the Union this season is likely to reach the highest figure ever recorded, according to *The African World*. Production of canned jam, fish, vegetables, fruit, and meat-and-vegetable pack, it is estimated, will amount to 250,000,000 pounds, and the total would be higher if more tinplate were available. Out of every hundred cans eighty-five will be earmarked for the British Ministry of Food and various Allied war demands and only fifteen retained for domestic consumption.

TRADE REGULATIONS AND TARIFF CHANGES

United States

QUOTA ON CERTAIN FISH ENLARGED

United States Treasury Decision of July 8, 1944, announces an enlargement of the tariff-rate quota for the calendar year 1944 on certain fish dutiable under Paragraph 717 (b), Tariff Act of 1930, as modified pursuant to the Canada-United States Trade Agreement. The trade agreement provides for a reduction in duty from $2\frac{1}{2}$ to $1\frac{7}{8}$ cents per pound on an annual quota of 15,000,000 pounds of fresh or frozen cod, haddock, hake, pollock, cusk, and rosefish, filleted, skinned,

boned, sliced or divided into portions, and not otherwise specially provided for in the tariff. There is a proviso that when the average apparent consumption in the United States during the three preceding calendar years exceeds 100,000,000 pounds, the quota may be increased by 15 per cent of the amount by which the average consumption exceeds this figure. In accordance with this proviso, the aforementioned quota, which may be imported during the calendar year 1944 at the reduced rate of duty provided for in the trade agreement, has been increased from 15,000,000 to 18,210,658 pounds.

Cuba

FREE ENTRY FOR CERTAIN QUANTITIES OF FOODSTUFFS

Two Cuban decrees of June 20, 1944, provide for entry into Cuba free of customs duties and consular fees of the following products within the quantities stated: black beans up to 60,000 quintals (of 100 pounds); red beans up to 200,000 quintals; white beans up to 70,000 quintals; rice up to 700,000 quintals; bacon up to 100,000 quintals; eggs up to 40,000 boxes of 30 dozen each; condensed or evaporated milk up to a total for both classes of 50,000 cases; jerked beef up to 8,000,000 kilograms.

Chile

DOCUMENTATION OF SHIPMENTS

In order to facilitate trade of Canadian exporters with Chile and to avoid fines, difficulties and delays in the delivery of goods from Customs, Mr. Carlos Errázuriz, Consul General of Chile in Montreal, has furnished the following information with regard to documentation and import formalities covering shipments to Chile.

Bill of Lading.—This must be legalized by the Consul of Chile in the country of origin or in the port of shipment. The bill of lading may be issued in one of three forms in accordance with international regulations: either on the bearer, to the order of a determinate person or nominative. The latter cannot be endorsed and may be used only by the person to whose name the goods are consigned.

Certificate of Origin.—This must be signed by the Board of Trade, Chamber of Commerce or similar organization and legalized by the Consul of Chile in the country of origin. It must be provided for goods for which reduced duties are fixed by commercial agreements between Chile and other countries. Each certificate of origin is drawn up in four copies in Spanish. One copy is retained by the Chamber of Commerce or Board of Trade and three are presented to the Consulate

General of Chile for legalization. One of these is retained by the Consulate for its file and the other two are returned to the exporter. For shipments from Canada the certificate of origin is legalized without fee, in accordance with the Trade Agreement signed between Chile and Canada in 1941, unless a fourth legalized copy is required by the exporter, in which case a fee of \$7.70 U.S. is collected for the fourth copy. Forms for the certificate of origin may be obtained at the Consulate General of Chile.

Commercial Invoices.—These are to be presented to the Consulate with the bill of lading. The invoice is of particular importance since, besides the normal customs rates, the goods are subject to a statistical tax which is levied on the c.i.f. price and a special tax which is collected on the basis of the total amount of the invoice plus customs duties.

Declaration of Value.—When asking for delivery of goods from the Customs the c.i.f. value should be declared. If the transaction is on the basis of f.o.b. embarkation point, shipping, transport, insurance and other expenses to the Chilean port, on the importer's account, should be detailed. The omission of this declaration causes a 10 per cent increase in customs duties. Any false declaration of value results in a fine which does not, however, free the importer from the obligation of proving the real value for the satisfaction of the customs regulations. Fines are imposed also for false or defective declarations of the goods and the description of goods should therefore be clear and precise.

Health Certificate.—A health certificate issued by the competent authority is required for shipments of plants, fruits, seeds or other vegetables and for animals, as well as for straw used for packing purposes.

Marking.—As regards marking the only requirement is that the marks on the goods should conform with those on the bill of lading. The regulations provide that the marking be stamped.

The Customs may also require additional marking of the goods in the port of entry.

Storage fees.—All goods entering the Chilean Customs are subject to the payment of storage fees and it is therefore advisable to send the shipping documents by the quickest way so that they arrive at the same time as the goods or before the goods.

RESTRICTIONS ON IMPORTS OF GLASS

Mr. M. J. Vechsler, Canadian Commercial Attaché at Santiago, writes under date July 6, 1944, that the

Chilean National Foreign Trade Council, taking into consideration that the present Chilean production of window glass is more than sufficient to supply the needs of the country and because of the existence of an accumulated stock, has agreed to limit imports to types and qualities not produced in the country, which would be the following: ordinary glass, up to a thickness of 6 millimetres and more than 1.55 metres wide, provided its use may require this dimension; ordinary glass of more than 6 millimetres thickness, of any size; glass, polished for mirrors; and coloured glass.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 17, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 17, 1944, and for the week ending Monday, July 10, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 10	Nominal Quotations in Montreal Week ending July 17 *	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4300	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies... Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2742	.2747	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5877	.5877	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as

to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART, Acting Trade Commissioner. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

French North Africa

YVES LAMONTAGNE, Economic Adviser, Office of the Representative of Canada to the French Committee of National Liberation, 48 boul. Saint-Saens, Algiers, French North Africa. Address for letters (at domestic rates)—Canadian Mission, Algiers, c/o D.P.S., Ottawa. *Cable address, Stadacona.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1 (Territory includes the South of England and East Anglia). *Cable address, Sleighing London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: L. H. AUSMAN, Acting Trade Commissioner, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

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Minister:

Hon. James A. MacKinnon, M.P.

Acting Deputy Minister:

Oliver Master

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UNITED KINGDOM HERRING FISHERIES

By J. A. LANGLEY, *Canadian Trade Commissioner in London*

The Government has introduced into Parliament a Herring Industry Bill with a view to furnishing assistance to that industry in the process of re-establishment after the war.

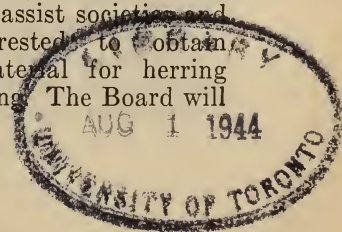
At one time the herring fisheries of the United Kingdom were of great importance to the economy of the country; but in the inter-war period the industry experienced difficulties, mainly due to the contraction of its former markets and, chiefly, of home demand. It is estimated that 10,000 men were employed in herring fishing in this country prior to the start of the war, when most of the vessels were transferred to Admiralty control and used for mine-sweeping operations.

Herring Industry Board

A Herring Industry Board, designed to arrest the decline in the industry and to regulate, reorganize and develop

the trade, was created in 1935, but it ceased to function when war broke out. The new bill recommends the re-establishment of the Herring Industry Board with extended powers, and the allocation to it of a grant of £820,000 over a period of five years to assist fishermen and others (particularly ex-servicemen) embarking in herring fishing operations to acquire boats and equipment which otherwise would not be available to them. Financial help to the extent of one-third of the cost of the necessary gear might be made at the discretion of the Board.

An additional amount of £1,700,000 will be at the disposal of the Board for the advance of loans to herring fishermen to provision, recondition and equip boats and to assist societies and organizations interested to obtain equipment and material for herring fishing and processing. The Board will



be given authority to spend a portion of its grant in purchasing vessels and gear on its own account for hiring to fishermen.

Marketing Fund

A Herring Marketing Fund is also to be established with a grant of £200,000 for the purpose of making loans to finance export trade and of aiding operations which require working capital. Another £250,000 will be earmarked for expenditure on market promotion, schemes to revive winter fishing, and for experiment and research.

The Board is also empowered to deal with the waste which arises during periods of glut. The proposal envisages arrangements for refrigeration

and processing in such contingencies, either by the Board itself or by others engaged in the industry.

Owing to the cheap and plentiful supplies of herrings available locally in United Kingdom waters, Canada in the past has not exported fresh, frozen or cured herrings to this country, although large quantities of canned herrings have been imported from the Dominion under the pressure of wartime food shortages.

The schemes for the revival of the local herring industry, however, may be of interest to Canada, as an indication of the plans which are being made in this country in the direction of re-establishment when hostilities cease.

June 30, 1944.

ECONOMIC CONDITIONS IN SOUTHERN RHODESIA, NORTHERN RHODESIA, AND NYASALAND

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Southern Rhodesia

General business activity in Southern Rhodesia was maintained at a fairly satisfactory level during 1943. Reports concerning Christmas trade indicated that, notwithstanding scarcity in many lines, sales were better than during the previous season and cash takings were well above the December levels of the previous two years. In the wholesale trade, sales continued to be restricted in order to conserve stocks; higher-priced lines being cleared, where possible, and new stocks, which arrived in the latter part of the year from pre-war sources of supply, being retained. There was continued activity in secondary industries and, in view of a rising demand, local manufacturers experienced difficulty in fulfilling orders.

MINING

The total production of gold in 1943 was 656,684 fine ounces valued at £5,516,146. This is a decrease from the 1942 production of 760,030 fine ounces and the decrease in value amounted to £868,109.

The production of silver fell from 163,776 ounces in 1942 to 119,322 ounces in 1943, and the value of silver production in 1943 was £11,684, a decrease of £4,379 from the previous year.

However, the production of base metals and minerals increased. No details are available because of wartime restrictions, but production rose in value from £2,976,848 in 1942 to £3,336,211 in 1943, an increase of £359,363.

Total mining output in 1943 was valued at £8,864,041, a net decrease of £513,125 from 1942.

Gold production has been and still is the industry from which is derived about half the national income. But production has dropped in marked degree from the 1940 peak of 826,485 ounces and the number of producers has declined from 1,574 in 1939 to 770 in 1943.

AGRICULTURE

Live stock at the end of the year were in good condition and grazing in Mashonaland was plentiful. Prices were generally firm but offerings small,

owing partly to seasonal influences and partly to restriction on cattle movements as the result of an outbreak of foot-and-mouth disease. Fewer native cattle were offered in recent months because owners are receiving such good prices that their requirements of cash are readily satisfied by small sales.

The 1942-43 farming season was a very difficult one. Except for a few fortunate areas, where good rains fell about the end of October, no general planting rains set in until the end of December, 1942. In the first three months of 1943 there was excessive rainfall in Mashonaland causing much damage to grain and tobacco crops. In Matabeleland, where all the crops were very late, excessive rain fell in February followed by a dry spell in March; but more rain in April saved the situation and better crops were obtained than were earlier expected.

The long wet period brought more than the normal amount of disease. *Diplodia* in the corn crop appears to have been worse than usual and tobacco suffered a great deal from mould.

Special features of the season were a large increase in the corn acreage, which brought in a crop sufficient to meet local requirements. There was a decrease in the area planted with Virginia tobacco because of the late commencement of general rains and the shortage of fertilizer, but there was a substantial increase in the acreage and total crop of Turkish tobacco.

The area planted in corn was 282,151 acres and the yield was 1,606,516 bags (about 5,737,550 bushels). The total area in Virginia tobacco was 63,597 acres and the yield was 31,291,388 pounds. The area in Turkish tobacco was 5,392 acres yielding 2,469,355 pounds. The weight of tobacco in each case is wet or green weight and represents the amount of tobacco graded and packed for delivery to the auction floors.

The acreage planted to peanuts was the largest since 1930-31 and the crop

of 64,691 bags was the greatest since 1933-34. The area under potatoes increased to 2,457 acres and the total crop was 101,795 bags. The yield of sunflower seed was 29,526 bags. The total amount of seed cotton delivered to the ginnery by white farmers was 1,675,428 pounds, which was much lower than the figure of 2,241,930 pounds for the previous season.

COST OF LIVING

The index number of retail prices of foodstuffs, based on August, 1933, as 100, for Southern Rhodesia as a whole has shown a steady rise. In 1941 the index reached 109·7; in 1942 it was as high as 118·3 in March but declined to 115·0 in December. This seasonal variation was shown again in 1943, when the March figure was 123·1 and the December index number was 121·4. Removing the seasonal factors, the index for Southern Rhodesia stood at 123·0 at the end of the year.

Including fuel and light and sundries with the cost of food, the index for December, with seasonal movement removed, has increased as follows: 1941, 109·0; 1942, 114·5; 1943, 122·3.

Northern Rhodesia

General business in sales to the white population has been fairly brisk and the native trade continues steady. The improvement in the flow of imports from overseas and from South Africa has been maintained, with goods coming forward in fair quantities.

MINING

Early in 1944 the United Kingdom Government announced its intention to reduce the purchase of Northern Rhodesia copper by an overall cut of between 20 per cent and 25 per cent on production in 1943. Official figures of the output of copper have been withheld since the outbreak of war and it is therefore not practicable to indicate definitely what the effect may be on the economy of Northern Rhodesia. It is fairly clear that the decrease in pro-

duction may create an unemployment problem and, to facilitate an equitable change to the new levels contemplated, the United Kingdom Government agreed that the decrease should be effected by stages beginning April 1, 1944, with approximately equal reductions in May and June.

As a result, at least one of the large mines announced that no dividend would be paid, even though the year's profits would have permitted the maintenance of the dividend. Evidently apprehension as to the future has resulted in a conservative policy. Heavy wartime taxation has militated against putting away resources for a rainy day. It remains to be seen whether post-war demands will make it possible to revive maximum production of copper in Northern Rhodesia where the ore bodies are extensive, peacetime costs are stated to be relatively low and, in general, production is on a sound basis.

CIVILIAN SUPPLIES

At the end of 1943 officials concerned with supplies for civilian use held discussions with the supplies authorities in the United Kingdom, Southern Rhodesia and South Africa. About the middle of the year requirements of goods from the United States were programmed for 1944 and, in many cases, ordered. Representatives of the United States visited Northern Rhodesia. Shipping tonnage requirements for 1944 have also been compiled and sent to the countries concerned.

Being outside the combatant zone, Northern Rhodesia is not able to obtain supplies by Lend-Lease but goods from the United States are obtained in some cases through Lend-Lease cash reimbursement. Commercial orders are also placed but nothing can be obtained from the United States unless a program is previously submitted to the authorities there.

Distribution is arranged by the Bulk Order Advisory Committee through regular distributors in the territory, such distributors receiving a rate of remuneration approved by the Supplies

Board. The actual method of distribution varies according to the article. The quantities of some goods have been small and it has not been economic to distribute supplies through every store in the country.

Nyasaland

Business conditions in general have been steady during the past year, with trade in the Northern Province rather exceptionally brisk at the end of 1943. Cash sales were much higher in December than during the corresponding month of 1942. Consignments of cotton piece-goods and other lines have arrived in recent months and native trading stores are fairly well stocked with staples. Small consignments of goods for the limited white population have been coming forward and business is steady and generally regarded as satisfactory in prevailing circumstances.

AGRICULTURE

The 1942-43 season was disappointing in agriculture as its promising start was shortlived. Early rains encouraged planting but due to a following period of hot sun and drought many of the young crops failed to survive. Then came two months of pouring wet weather with the result that growing crops were waterlogged and harvests were late in most districts.

Had it not been for the more extensive planting of foodstuffs, a serious food shortage might have resulted. The harvest was sufficient for local needs but no surplus was available for export to neighbouring territories. This was disappointing in view of the export connections made in the previous year, when 170 tons were exported to Southern Rhodesia and 1,332 tons to Northern Rhodesia.

The tobacco crop suffered from poor root and leaf growth and the harvest was unbalanced, with an abnormal amount of short leaf. Nevertheless the quantity sold at auction constituted a record.

The tea industry had another difficult season due to the adverse weather

conditions and the impossibility of applying the usual amount of fertilizer. Uncertainty regarding disposal of the cotton crop, which has caused anxiety since the outbreak of war, has been dispelled by arrangements with the United Kingdom Government for purchase of the entire crop at guaranteed prices for the duration of the war and a complete marketing year thereafter.

Cultivation of tung continues to develop. The cultivation and preparation of wild rubber has gone on and a considerable quantity has been received for grading and despatch; estate production is confined to one plantation. The substantial increase expected in rice production did not materialize but results were not entirely unsatisfactory. The growth of pyrethrum is being stimulated.

MINING

Mining has not been developed in Nyasaland and no large resources have been investigated except the extensive bauxite area on Mlanje mountain and the Sumbu coal area. However, corundum deposits at Tambani have been worked during the year.

FINANCE

War conditions have been generally favourable to Nyasaland's public finances, since they have resulted in a demand for the country's principal ex-

port crops of tea and tobacco and stimulated the production of other exports such as cotton and tung oil. However, in the six years from 1938 to 1944, the estimated ordinary expenditure of the Protectorate has risen by nearly £200,000. Ordinary revenues have kept pace with this increase owing mainly to the imposition of higher rates of income tax and to better economic conditions arising in no small measure from the influences of war. The draft estimates for 1944 provide for a total revenue of £939,261 and for a total expenditure of £938,781. These figures leave an estimated surplus of £480 for the year and raise the Protectorate's estimated accumulated surplus balance to £457,833 at the end of 1944.

Five-shilling currency notes issued by the Southern Rhodesia Currency Board were put into circulation on January 1, 1944. Steps were taken to ensure that Nyasaland and the two Rhodesias took simultaneous action in this respect. One factor influencing the issuance of these notes was the disappearance from use, owing to the shortage of trade goods, of the bulk of the silver put into circulation since the outbreak of war. It is hoped that the issue of five shilling notes will check hoarding tendencies and induce Africans to invest their savings in a remunerative manner.

Johannesburg, April 22, 1944 (delayed).

TRADE OF THE BAHAMAS IN 1942

By F. W. FRASER, *Canadian Trade Commissioner at Kingston, Jamaica*

(All values are on an f.o.b. basis)

Imports

The recently issued trade report of the Bahamas for 1942 gives the Colony's total imports during that year as £1,326,463, including parcels post amounting to £36,066. The total was £1,591,029 for 1941, and £1,284,417 for 1940, including bullion and specie amounting to £18,100 in 1941 and to £6,496 in 1940; no such imports are recorded for 1942.

Excluding imports for military or other special purposes, the total volume of goods brought in was 32,701 tons in 1942 as compared with 42,759 in 1941 and 44,744 tons in 1940.

The principal reason for the decline of the import trade in 1942 below 1941 was the shrinkage that occurred in the Colony's tourist business during the former year. In 1941, 23,385 persons liable to passenger fees landed in

Nassau, the capital, but in 1942 only 3,813 did so; and the number of departures fell from 21,917 to 2,640.

As is well known, the Colony's import trade depends largely upon the tourist business. Collections of Government revenue on this account fell from £10,151 in 1941 to £1,758 in 1942. In these circumstances it was inevitable that the Nassau merchants would buy less.

SOURCES OF SUPPLY

The trend in sources of supply for the Bahamas import trade during the five years 1938 to 1942 is shown in the accompanying table.

Bahamas Imports by Principal Countries

	1938	1939	1940	1941	1942
United States—					
Value	£ 513,340	£ 520,563	£ 692,534	£ 831,329	£ 829,920
Per cent	44.7	47.6	54.0	55.1	62.6
United Kingdom—					
Value	272,986	223,316	193,767	191,974	87,173
Per cent	24.0	20.4	15.0	12.7	6.6
Canada—					
Value	131,677	144,646	209,465	294,278	239,257
Per cent	11.5	13.2	16.3	19.5	18.0
Other countries—					
Value	228,906	205,645	188,651	191,448	170,113
Per cent	19.8	18.8	14.7	12.7	12.8
Total value	£1,146,909	£1,094,170	£1,284,417	£1,509,029	£1,326,463
Less liquor imports	53,668	47,108	63,627	56,361	59,355
Total value of other commodities	£1,093,241	£1,047,062	£1,220,790	£1,452,668	£1,267,108

It will be noted that the proportion of imports from the United States increased by 7.5 per cent as compared with 1941, although the value of such imports was slightly less. It was the fourth successive year in which the United States' share of Bahamas imports increased, but in the other three the value of imports from the United States also rose. Nearness to, and consequent facility of communication with, the United States is the principal reason for that country's predominance in the Colony's import trade.

For the third successive year Canada occupied second place as a source of Bahamas imports, supplying 18 per cent of the total as against 19.5 per cent in 1941. The value of imports from Canada, however, declined nearly 19 per cent from the value of £294,278 in 1941, which was the peak figure of the five-year period.

Imports from the United Kingdom showed a sharp further decline in 1942, falling in value to £87,173 from £191,974 in 1941 and to 6.6 per cent from 12.7 per cent of total imports.

IMPORTS BY COMMODITY GROUPS

Imports by main classes of commodities in 1942 were as follows:

I—Food, drink and tobacco	£ 600,170
II—Raw materials and articles, mainly unmanufactured	40,330
III—Articles wholly or mainly manufactured	683,992
IV—Animals and birds, not for food	1,971
Total	£1,326,463

IMPORTS FROM CANADA

The principal items imported from Canada in 1942 were:

Class I.—Cheese, flour, feedstuffs, lard, lard compound, preserved meats (mainly pickled beef and pork and fresh meat, and small quantities of some other kinds), condensed milk, unenumerated provisions, whisky, potatoes and canned vegetables.

Class III.—Apparel, cement, medicines and drugs, motor cars, trucks and parts, paint, paper, laundry soap, stationery, rayon hosiery and piece-goods, toilet preparations including soaps, and wooden crates for tomatoes.

Canada supplied very little in Class II, of which the imports consisted of lumber, shingles and plants, almost entirely from the United States. The latter country also had most of the trade in Class IV.

Exports

Domestic exports in 1942 totalled £228,351 in value, and re-exports £64,426, making a grand total of £292,777. The comparative figures for 1941 were £192,709, £109,149 and £301,858 respectively; and for 1940, £130,919, £68,559 and £199,478.

Domestic exports in 1942 went chiefly to the following destinations: United States, £171,282; Canada, £33,652; United Kingdom, £9,907; Cuba, £6,566; and Jamaica, £4,240.

LEADING ITEMS

Principal items of export were: fish, £44,271; raw tomatoes, £30,894; hemp, £20,276; sponge, £12,300; lumber, £11,034; salt, £5,811; shells, £3,235.

Canned crawfish accounted for £25,173 of the value of fish exports, other crawfish for £15,910, and fresh fish for £3,188. Shipments of canned fish date

from 1941, when canning was begun in a considerable way. The year 1942 was the first in which fish was the most valuable item of the Bahamas export trade.

DESTINATIONS OF CHIEF ITEMS

Fish exports went entirely to the United States. Canada took two-thirds of the shipments of raw tomatoes, and the United States all the exports of hemp and about half those of sponge. Cuba bought somewhat more than half the lumber (pine) and Jamaica most of the remainder. Canada purchased practically all the salt, and the United States almost all the shells.

The great disparity between recorded imports and domestic exports, amounting in 1942 to more than a million pounds, is accounted for mainly by the "invisible" tourist trade.

Kingston, June 9, 1944.

THE DAIRY INDUSTRY IN ARGENTINA

By J. A. STRONG, *Commercial Attaché at Buenos Aires*

Argentina is essentially a beef-producing rather than a dairying country. The output of the local dairy industry represents only some 12 per cent of the annual production of the live-stock industry and 5 per cent of the entire agricultural production of Argentina. Nevertheless, the dairy industry has expanded its production from an aggregate value of \$27 million in 1935 to more than \$63 million in 1941.

Extensive rather than intensive farming practices are characteristic of the Argentine dairy industry, as of most other classes of agricultural production in Argentina. Dairy production is confined to the great plains or pampas of Argentina within the Provinces of Buenos Aires, Santa Fe and Córdoba.

Dairying is carried on in zones, such as Tandil, where alfalfa does not thrive; but the dairy industry as well as the beef-producing industry has reached its highest development in the

alfalfa zones, the year-round pastures of which are probably unequalled elsewhere in the world.

Dairy Farm Units

Farm land holdings are in large individual units, usually of 10,000 acres upwards to 25,000 or even 50,000 acres. The dairy cows are generally the property of the landowner, who divides his holding into areas each sufficient to carry about 200 cows. There is a small house on each of these divisions, with living conditions of a very primitive nature, and the 200 cows are placed in charge of a family which tends and milks them on a share basis; generally 40 per cent going to the family and 60 per cent to the owner.

There are some instances, particularly in the zones catering to the whole-milk trade, where large dairy units are operated on a cash-rent basis. The landowner may have his own cheese factory and the family delivers

the whole milk direct to the factory. If hogs are kept, they are at the cheese factory, the property of the landowner and seldom if ever are owned by the family.

The pig-raising industry is also a large-scale enterprise in Argentina and essentially independent of the dairy industry. This type of dairy farming, on a share basis, is also characteristic of the whole-milk production for the main urban centres, such as Buenos Aires.

Cheese Factories and Creameries

While some of the cheese factories are owned by the big landowners, in general both the cheese factories and the creameries are operated by a few large corporations in the dairy products business. For the creameries, the practice is to operate local skimming plants which supply a centrally located creamery.

In one dairy-producing section of the country, which accounts for some 30 per cent of the output, a part of the production of the area is from small owner-operator farms, although even in this zone large holdings are the rule. This relatively small area was settled many years ago by Swiss and Italian immigrants. There are several co-operatively owned factories in this zone. This is the relatively minor exception to the general practice of extensive farming in Argentina.

Farm Buildings Not Needed

It is not necessary to house live stock in Argentina during the winter months. This also applies to dairy cows. The cows are milked in an open paddock, outdoors the year round.

There are consequently no buildings and only in the zone around Buenos Aires producing whole milk for this urban centre are there a few upright silos for storing ensilage. The ensilage may also be stored in pit silos. This ensilage is used as a supplementary ration when the pastures may be poor.

In all the other zones, forage crops are sown or hay stacked to supplement the pastures. Consequently, the capital outlay for buildings in the dairy-farming industry is very small in Argentina.

Dairy Breeds

Since Argentina is a beef-producing country, the dairy cows are mostly of the beef breeds. The young steers and surplus females are sold as feeders or stockers for finishing in other zones. This emphasis on beef production accounts for the fact that even Aberdeen Angus cows are milked in some cases.

Except for the comparatively few milking herds of the dairy breeds, the cows are only milked once a day and the calves are permitted to suckle during part of the day. It is only during the few months of heaviest production, and then only in certain zones and when milk prices are relatively good, that the cows are milked twice a day.

The popular dairy breed is the Holstein-Friesian or Holanda, the original stock of which was imported from Holland. There have been 1,074 head of pure-bred Holstein cattle imported since 1906, of which 691 were brought from Holland, 199 from the United States, 55 from Germany, 54 from Switzerland and 54 from New Zealand. In 1926 some 354 head, including females, were brought from Holland. Otherwise most of the imported stock has been high-quality bulls. Argentina has imported her best sires during the past ten years from leading herds in the United States.

The Holstein herds in Argentina are almost entirely confined to the zones supplying whole milk to the few principal cities and to the comparatively small zone of owner-operator farms, where the farm practices tend to be of a more intensive character than elsewhere in Argentina.

Figures for the dairy and beef population, by breeds, as given in the last Argentine census—that of 1937—are shown in Table 1.

TABLE 1

Dairy and Beef Cattle Population of Argentina, 1937

Breed	Dairy Cows		Total of Breed
	Pedigreed	Non- Pedigreed Number of Animals	
Shorthorn	3,935	1,785,615	19,790,487
Holstein	2,229	168,094	670,144
Normandy	334	8,195	58,149
Red-Polled	164	8,245	29,152
Jersey	73	1,126	2,845
Flemish	150	873	3,409
Guernsey	20	195	883
Ayrshire .....	.....	65	153
Hereford .....	.....	.....	3,134,754
Polled Angus .....	.....	.....	1,754,475
All others	1,290	1,972,343	7,763,761
Total	8,195	3,944,751	33,207,807

Dairy Production

The industrial census figures for 1941, which have just been published, show that Argentina produced 39,824,706 gallons of pasteurized milk in 1941, plus 7,562,022 gallons of refrigerated milk, as compared with a total of 33,136,642 gallons in 1937. The volume of production of other dairy products in these two census years is shown in Table 2.

Domestic Consumption and Exports

Table 3 shows the trends in the volume of production, home consumption and exportation of butter, cheese, casein, condensed milk and powdered milk since the outbreak of the War.

The types of cheese produced in Argentina are those favoured for home consumption by the Italian and other European elements in the local population. For this reason Argentina has

TABLE 2

Dairy Production in Argentina, 1937 and 1941

	1937 Tons of 2,205	1941 Pounds
Cream fat basis	19,568	29,979
Butter	31,252	41,768
Cheese—		
Hard type, total	19,297	39,866
Reggiano or Parmesano	1,410	1,488
Reggianito	1,471	1,273
Sbrinz	14,895	27,142
Goya	323	709
Sardo .....	.....	3,192
Romano .....	.....	5,038
Provolone .....	.....	408
Other	1,198	616
Semi-hard, total	15,962	15,563
Gruyere	1,325	1,746
Pategras	4,675	5,320
Holand	1,042	760
Cheddar	124	289
Mar del Plata	1,218	1,518
Cream of Gruyere	1,335	637
Chubut, Tandil, etc.	4,018	3,626
Fontina	n.a.	610
Other	2,225	1,057
Paste	6,721	10,508
Quartirolo	5,045	7,007
Muzzarella and Ricotta.....	.....	1,312
Roquefort and Gorgonzola.....	.....	.....
Other	1,676	1,298
Cream cheese	149	1,241
Casein	16,291	22,408
Condensed milk	449	3,161
Powdered milk	1,030	1,494
Dulce de Leche ¹	3,133	5,609

¹ A popular milk product sold as candy.

TABLE 3

Dairy Production, Home Consumption and Exports

	1939	1940	1941	1942	1943
Butter—			Figures in Tons		
Stocks at January 1.....	1,189	2,741	2,902	6,637	3,529
Production	34,248	37,183	43,711	41,362	46,978
Exports	8,956	12,815	14,342	14,400	16,422
Home consumption	23,740	24,207	25,634	30,070	28,029
Cheese—					
Stocks at January 1.....	15,694	19,532	18,411	25,893	21,963
Production	51,065	53,033	64,484	58,133	63,553
Exports	2,483	5,243	12,021	8,624	13,392
Home consumption	44,744	48,911	44,981	53,429	53,369
Casein					
Stocks at January 1.....	9,332	9,267	10,797	4,074	14,047
Production	20,781	21,740	26,517	26,078	28,599
Exports	20,564	19,960	32,990	15,855	24,662
Home consumption	282	250	250	250	973
Milk powder—					
Production .....	....	....	1,522	2,285	4,259
Exports .....	....	....	270	309	1,860
Condensed milk—					
Production .....	....	....	3,173	2,982	5,123
Exports .....	....	....	1,215	1,428	1,182

not sold much cheese in the United Kingdom. In recent years some 75 per cent of the cheese exports have been going to North America and the interest at present is in Edam, Gouda, Fontina and Roquefort or Gorgonzola for the United States. There may be some surplus for European relief in the hard types, such as Sbrinz and Parmesano or Reggiano. There is very little local production of Canadian types of cheese.

Casein is almost exclusively an export product in Argentina. The output has been over 90 per cent of the lactic type, although there has been a wartime increase in rennet casein produc-

tion. Some 80 per cent of the latter production goes to the United Kingdom. The United States and the United Kingdom are now almost the only markets for lactic casein.

Eggs

Argentina exported 4,205 tons of powdered or dried egg in 1943 as compared with 2,696 tons in 1942. The United Kingdom took 70 per cent of the latter figure and the remainder went to Switzerland and Sweden. There has been a wartime expansion in this business. Argentina also exported 7,519 tons of eggs in the shell in 1943 as against only 2,803 tons in 1942 and 6,608 tons in 1941.

ECONOMIC CONDITIONS IN CHILE DURING 1943

By M. J. VECHSLER, *Canadian Commercial Attaché at Santiago*

Mining production in Chile declined last year by 2 per cent as compared with 1942 and by 6 per cent as compared with 1941, according to official returns on Chilean economic conditions and trade. On the other hand, crops of wheat, oats, barley, rice and garden produce were all larger.

In the manufacturing field, the moderate downward trend in output of the previous year continued, the returns showing a decrease of 1.3 and 3.6 per

cent from that of 1942 and 1941 respectively. The volume of construction, however, was 16 per cent greater than in 1942 and 10 per cent less than in 1941. Wages continued the upward movement of the previous war years, the official index showing an advance of 16 per cent from the 1942 figure.

Foreign trade in 1943 remained at practically the same level as in the previous year, small increases in value being recorded for exports and imports.

Domestic trade was characterized by continuance of the price rise, although the increase was somewhat more moderate than in 1942.

Mining

Coal production in 1943 is estimated at 2,276,659 tons, an increase of 5.1 per cent over that of 1942. Some 16,900 coal miners were employed with an annual average output of 134.7 tons.

During the year 5,404.2 kilograms of gold were produced from all sources (mining, washings and that exported in minerals, bar copper and other forms), being 422.5 kilograms less than in 1942. In 1940 there were 10,663.3 kilograms produced. Production from the washings amounted to 200.1 kilograms, a decline of 43 per cent from the previous year. By comparison, in 1934 production was 1,959.4 kilograms. Gold from mining activity amounted to 1,191.8 kilograms as compared with 1,885.5 kilograms in 1942, while that from exported minerals totalled 4,012.3 kilograms in comparison with 3,591.8 kilograms in 1942.

An interesting development during the year was the establishment of a free gold market in the country in order to stimulate national gold production. Auctions are held at the Santiago and Valparaiso Stock Exchanges. The price realized at the first auction was 54.38 Chilean pesos per gram. In January the price had declined to 46.28 Chilean pesos per gram. (The exchange value of Chilean peso is at the rate of 30.90 to the United States dollar).

Nitrate production, sales and shipments declined from the previous year. Production amounted to 1,297,788 tons, a falling-off of 64,903 tons; sales reached 1,243,040 tons, a decline of 128,244 tons; and shipments were 1,166,228 tons, some 248,118 tons less than the previous year. The decline in sales is reported to have been due to the shipping shortage. Conditions are expected to be about the same in 1944 as those for 1943.

Manufacturing

The index of manufacturing production showed a decline of 3.6 per cent in 1943 as compared with 1942 and 4.8 per cent as compared with 1941. The greatest declines occurred in the output of sugar and glass, which fell by 20 and 11 per cent respectively; coke production, 9 per cent; and production of soap and pitch or tar, 6 per cent. Smaller declines occurred in the manufacture of paper and woollen goods. On the other hand, the production of matches and shoes rose by 7 per cent, that of knitting wool by 5 per cent, beer and tobacco by 4 per cent, and cement by 3 per cent.

Construction

As already noted, the volume of construction increased by 16 per cent in 1943 over that undertaken in 1942. In the latter year, however, it was some 25 per cent lower than in 1941, and the 1943 returns were 10 per cent below those for 1941.

On the other hand, building costs continued the steady increase they have shown since 1938, reaching a figure of 1,060 pesos per square metre in 1943 as compared with 859 pesos in 1942 and 649 in 1941. This average figure includes all kinds of construction, such as dwellings, commercial, industrial and public buildings, etc., in thirteen urban centres.

Wages

The Chilean index of wages paid again rose in 1943 over the level of the previous year, but to a lesser degree than in the preceding three years, the increase amounting to 16 per cent. The index rose in 1940 by 22 per cent over 1939, in 1941 by 19 per cent over 1940, and in 1942 by 17 per cent over 1941.

The total amount of wages paid, excluding those paid by the state railways, was 3,954,100,000 pesos. Amounts paid in the five preceding years were: 1942, 3,418 million pesos; 1941, 2,914; 1940, 2,455; 1939, 2,019; 1938, 1,716 million pesos. For the years 1937 to 1943, the monthly averages of the in-

dex of wages paid in the country, on the basis 1927-29 equals 100, prepared by the Chilean Department of Statistics, are as follows: 1937, 177·9; 1938, 200·5; 1939, 237·5; 1940, 287·9; 1941, 341·6; 1942, 400·8; 1943, 464·2.

Cost of Living

The average of the general cost-of-living index (1928 equals 100) in Santiago, prepared by the Chilean Department of Statistics, rose to 353·9 in 1943. This was an increase of 49·6 points or 16·3 per cent over that of the corresponding average for 1942. In 1942 the average of the index rose 25·6 per cent in comparison with that of the preceding year, while in each of the years 1940 and 1941 there were increases of 15 per cent over the previous year. This index, it may be noted, has risen every year since 1934, the indices for foodstuffs and fuel and light each year since 1939, the index for clothing each year since 1938, and the index for rent each year since 1934.

It may be added that in 1943 the general index ranged from a monthly low of 327·5 in January to a high of 367·6 in October, after which it declined to 358·9 in December. The low point for the foodstuffs index was 396·6, also in January, and the high point 457·8 in June. The rent index moved up from 234·5 in January and February to 249·9 in April, at which it remained during the following eight months.

Wholesale Prices

Although wholesale prices continued to rise in 1943, the rise was less marked than in 1942. In the latter year, wholesale prices rose by 36 per cent over those of 1941, whereas in 1943 they rose by 10 per cent over 1942. The result, however, was a rise of 45 per cent in wholesale prices between 1941 and 1943.

Foreign Trade

Chile's total foreign trade in 1943 (excluding coin and precious metals) was valued at 1,503,500,000 pesos (of

6d. gold), showing the small increase of 1·3 per cent over the figure for the previous year.

EXPORTS

Exports were valued at 867,200,000 gold pesos in comparison with 862,800,000 pesos in 1942. Mineral products made up 79·2 per cent of the exports but were some 5·2 per cent below those of the previous year. Exports of the majority of the other groups of products showed an increase over the values for 1942. Shipments of live stock and dairy products rose 41 per cent in value, the increase being due principally to larger shipments of wool and hides. Exports of rice, canned foodstuffs, fresh and frozen meats also increased but those of hemp fibre, beans, lentils, oats, and garlic declined.

Principal purchasers of Chilean products were the United States, Argentina, Brazil, the United Kingdom, Bolivia, Cuba, Peru and other Latin American countries.

IMPORTS

Chilean imports in 1943 were slightly higher in value than those of 1942, amounting to 636,300,000 gold pesos as compared with 621,500,000 gold pesos in the previous year, an increase of 2·4 per cent.

The table, which is based on figures issued by the Superintendent of Customs, shows the values of imports by commodity groups, and the proportion of these to the total value of imports, in the four years 1940, 1941, 1942 and 1943. Returns by individual commodities are not available at time of writing.

As in 1942 there was an increase in imports from Latin American countries, principally from Peru, Argentina and Brazil. Importations from Latin American countries made up 42 per cent of total imports. Those from the United States declined but still represented 45 per cent of total importations. Owing to Chilean customs statistics being compiled principally on the basis of port of shipment, the majority

Chilean Imports by Commodity Groups, 1940 to 1943

(Excluding coins and precious metals)

Group	1940		1941		1942		1943	
	Million Pesos	Per Cent of Total	Million Pesos	Per Cent of Total	Million Pesos	Per Cent of Total	Million Pesos	Per Cent of Total
Mineral products	50.8	10.0	51.6	9.8	67.1	10.8	77.1	12.1
Products of the forest and streams	2.1	0.4	3.7	0.7	3.9	0.6	2.8	0.4
Dairy products	20.4	4.0	15.4	2.9	20.2	3.3	49.4	7.8
Agricultural products	39.2	7.8	45.9	8.7	72.2	11.6	63.2	9.9
Alimentary industries	24.8	4.9	20.9	4.0	51.6	8.3	61.6	9.7
Beverages and liquors	0.8	0.2	1.4	0.3	2.5	0.3	1.5	0.2
Manufactured tobaccos	0.3	0.1	0.3	0.1	0.3	0.1	0.5	0.1
Textiles	81.7	16.2	80.5	15.3	96.6	15.5	95.4	15.0
Chemicals	70.3	13.9	75.9	14.5	96.3	15.4	82.7	13.0
Metal industries	61.2	12.1	58.1	11.1	54.8	8.8	51.3	8.1
Machinery, articles and tools for industry	56.6	11.2	70.4	13.4	61.3	9.9	57.0	8.9
Materials and articles for transport	53.0	10.5	48.8	9.3	35.4	5.7	25.3	4.0
Miscellaneous manufactures.	44.6	8.8	52.0	9.9	59.3	9.6	68.5	10.8
Total	505.8	100.0	524.9	100.0	621.5	100.0	636.3	100.0

of purchases from Canada are credited to the United States and hence these statistics do not afford a true picture of Canada's trade with Chile.

Imports from Peru, principally raw sugar and petroleum, amounted to 142,700,000 gold pesos. Those from the Argentine were valued at 108,900,000 gold pesos, the principal commodities being cattle and sheep, wheat,

woollen goods, cement and butter. Brazil supplied to the value of 62,900,000 gold pesos, shipments consisting chiefly of yerba mate, coffee, cotton and wool yarns, osnaburgs, cotton and woollen goods, rubber tires, etc. The value of imports from the United Kingdom rose to 44,600,000 gold pesos in 1943 from 32,400,000 in 1942.

Santiago, April 15, 1944 (delayed).

ECONOMIC, TRADE AND PRODUCTION NOTES**Australia****POST-WAR POLICY ON AUTOMOBILE IMPORTS**

The Australian Chamber of Automotive Industries has asked the Government to determine its post-war policy towards imports of automobiles, according to *The Times Trade and Engineering Review* for June.

The Chamber states that were an Australian distributor or importer to receive advice from his principals overseas that they were about to resume civilian production and wished him to place an order, he would not know whether he could obtain the necessary exchange for payment or whether pre-war quotas still applied or had been modified or abolished. If he required Australian-made bodies, the body-builder might be unable to quote be-

cause of government controls over his business.

Before the war it was estimated that 60 per cent of all vehicles in Australia were eight or more years old. During the four years 1940 to 1943 inclusive, registrations of cars were less than in a peacetime year of average conditions.

Brazil**BUILDING GRAIN ELEVATORS**

The Brazilian Government, with the assistance of United States technicians, has undertaken a program of construction of grain elevators that is expected to prove a boon to the Brazilian grain industry, *Foreign Commerce Weekly* recently reported.

Three types of grain elevators have been designed under the project by Brazilian and United States engineers.

A series of these elevators, approximating 250 tons storage capacity each, are to be built in the State of Rio Grande do Sul, the major wheat-producing area of Brazil.

The new grain elevators are designed especially to control damage caused by insects. Brazilian and United States authorities working on the project estimate that the series of proposed elevators will be adequate to store a whole year's crop, thus eliminating the necessity of exporting the surplus to the north and of later importing grain to keep the Rio Grande flour mills in operation.

The three types of elevators are of concrete, of brick, and of wood. Officials on the project report that neither brick nor wood construction has ever before been used in Brazil for this purpose. Use of these materials, however, is expected to facilitate construction, for both wood and brick are cheap and plentiful in Rio Grande do Sul.

India

FOREIGN TRADE

Latest statistics of India's foreign trade, covering the month of February and the eleven months ended February, show a large increase in the value of exports in February as compared with the corresponding month of 1943, states Paul Sykes, Canadian Trade Commissioner at Bombay, writing under date June 16. The respective figures are Rs.231,741,622 and Rs.137,410,266 (one rupee equals approximately Can.\$0.335). Imports increased slightly from Rs.90,403,923 to Rs.117,228,799.

For the eleven months beginning April 1, 1943, exports increased to Rs.1,831,244,889 from Rs.1,710,398,841 in the corresponding previous period and imports to Rs.1,064,926,597 from Rs.1,012,616,942. The maintenance of an unusually large favourable trade balance is readily apparent from these figures.

TRADE WITH CANADA

Statistics of Canadian-Indian trade during the period April-February, 1943 and 1944, show a substantial improve-

ment in the later period in the value of Indian exports to the Canadian market and a heavy decline in Indian imports from Canada. The former figures are Rs.33,320,170 and Rs.44,199,821 and the latter Rs.53,813,778 and Rs.23,903,951, respectively.

This general trend, as noted in other reports, has been apparent for some time and reflects the effect of continued limitation of Canadian imports by local control regulations. It should not be overlooked, however, that Indian figures of imports of Canadian goods represent nothing more than those involved in ordinary commercial transactions. The total value of Canadian shipments to India, comprising war materials and supplies for the services, remains at very high levels.

United Kingdom

WHOLESALE PRICES

There was a rise of 0.4 per cent in United Kingdom wholesale prices in May, as measured by the Board of Trade index number. Food prices showed no appreciable change, while those of industrial materials and manufactures advanced by 0.5 per cent. The aggregate increases since August, 1939, have been: all articles, 69 per cent; food and tobacco, 75 per cent; and industrial materials and manufactures, 66 per cent.

United States

IMPROVEMENT IN FOOD SUPPLIES

There has been a steady improvement in the supplies of a number of important foods in recent months in the United States, it is stated in the Dominion Department of Agriculture's review of agricultural conditions in Canada. A year ago the most troublesome food problems were shortages, while this year there have been actual cases of surpluses.

Live-stock slaughter has been at record figures. Federally inspected hog slaughter during the first quarter of 1944 amounted to 22.4 million head and was 53 per cent more than in the same months of 1943. Federally inspected slaughter of cattle and live

stock was up about 15 per cent over the first quarter of last year.

The production of eggs, milk, fresh winter vegetables and citrus fruits held at high levels due to a mild open winter, resulting in a severe taxing of cold storage facilities. In order to make room for the seasonal increase in production of poultry and dairy products, particularly butter and eggs, the United States Government has required sharp cuts in storage holdings of frozen fruits and vegetables, poultry, meats, and other foods. This

action has led to an easing of rationing restrictions.

Despite the lower output per cow, 1944 milk production is expected to reach the 1943 output of 118 billion pounds. This is due to the increasing number of milk cows, more favourable weather conditions and to incentive payments. Creamery butter production during the first quarter of 1944 was 333 million pounds—13 per cent less than a year earlier—while total cheese production of 202 million pounds was up one per cent.

APPLICATION OF UNITED STATES LUMBER CONTROLS TO EXPORTS TO, AND IMPORTS FROM, CANADA

By C. H. WEST, *Assistant Trade Commissioner at New York*

With reference to the report, "New Lumber Controls in the United States", which appeared in *Commercial Intelligence Journal* No. 2111 (July 15, 1944), the Director of the Lumber Division, War Production Board, Washington, D.C., has issued the following release which deals with the export to and import from Canada of lumber:

Exports to Canada

"Arrangements have been made with the Canadian Timber Controller for the handling of lumber exports to and imports from Canada under War Production Order L-335. The Canadian Division, War Production Board, is the claimant agency representing Canadian users of lumber exported from the United States. The Canadian Timber Controller is issuing a direction to all Canadian users of lumber from the United States which outlines the procedure to be followed in placing orders for lumber with suppliers in the United States.

"The Canadian users' purchase orders, if approved by the Canadian Timber Controller, will be certified by the Canadian Division, War Production Board, in Ottawa, using certification (q) (1) of L-335. Only Canadian orders bearing a certification (q) (1), executed by that Division, will be valid.

"The War Production Board requirements committee has allotted a quota of lumber to the Canadian Division for third quarter distribution to essential Canadian users, and ratings will be assigned to the Canadian program by the Canadian Division, Ottawa. Purchase orders properly certified and rated for delivery in Canada are to be accepted by United States suppliers on a par with orders of other Claimants."

Imports from Canada

"Lumber imports from Canada to the United States will be subject as heretofore to the Canadian export permit system. In addition, it will be necessary for the Canadian supplier or exporter to certify to the Canadian Timber Controller that he has received certification (q) (1) or (q) (3) of War Production Board Order L-335 from his United States customer.

"United States purchasers of Canadian lumber on which permits have been granted but which will be received after July 31 must furnish the Canadian exporter with either (q) (1) or (q) (3) certifications before receiving the lumber. This procedure to be followed by Canadian exporters will be outlined in a direction issued by the Canadian Timber Controller."

TRADE REGULATIONS AND TARIFF CHANGES

South Africa

SUSPENSION OF IMPORT DUTY ON FISH
MEAL AND OILCAKE

Mr. H. L. Brown, Canadian Trade Commissioner in Johannesburg, advises under date June 21, 1944, that the South African import duty of 2s. (two shillings) per 100 pounds on oilcake, oilcake meal and fish meal is suspended until further notice.

TARIFF CHANGES IN BUDGET

Mr. H. L. Brown, Canadian Trade Commissioner in Johannesburg, reports that the South African budget, which was introduced in the House of Assembly on March 20, made a number of changes in the import tariff, which became effective on March 21.

The tariff items of particular interest to Canadian exporters, the rates for which have been altered, include:

	Former Duty	New Duty
Piston rings for motor cars and trucks.....	1d. each	20% ad val.
Buckets, household and sanitary:		
Galvanized	7s. 6d. per 100 lb.	25% ad val.
Enamelled	12s. 6d. per 100 lb.	25% ad val.
Washing machines, domestic:		
Wringer type	£1 7d. each	15% ad val.
Spinner type	£2 5s. each	15% ad val.
Flexible electric cord	10s. per 100 lb. (Free from United Kingdom)	5% ad val. (Free from United Kingdom)
Aluminium detonator tubes:		
Delay action	£4 per 100 lb.	15% ad val.
Other	£2 17s. per 100 lb.	15% ad val.
Gramophone-radios	6s. to 7s. 6d. per tube	20% ad val.
Radios of all kinds except gramophone-radios..	2s. 3d. to 3s. 6d. per tube (9d. to 1s. 2d. per tube from United Kingdom)	15% ad val. (5% from United Kingdom). 15% ad val.
Radio tubes imported separately.....	6d. each (3d. each from United Kingdom)	(5% from United Kingdom) 10% ad val.
Typewriters	7s. to £2 10s. each according to weight and width (Free from United Kingdom)	(Free from United Kingdom)
Sole leather (excluding splits), shaped or otherwise, including pieces	*	20% or 6d. per lb., whichever is the greater.
Splits, of an f.o.b. price per sq. ft. of:		
Not less than 5d.	*	Free
Less than 5d.	*	20% ad val.
Bovine and horse hides and skins for use as linings, of an f.o.b. price per sq. ft. of:		
Not less than 6d.	*	Free
Less than 6d.	*	20% ad val.
White leathers:		
Of bovine hides and skins having a suede, velour or velvet finish, of an f.o.b. price per sq. ft. of not less than 1s.	*	Free
Of horse hides and skins, of an f.o.b. price per sq. ft. of not less than 9d.	*	Free
Whole bovine and horse hides and skins measuring less than 24 sq. ft. each, of an f.o.b. price per sq. ft. of:		
Not less than 1s. 2d.	Free	Free
Less than 1s. 2d. but not less than 10d.	Free	20% ad val.
Less than 10d.	Free	3d. per sq. ft.

	Former Duty	New Duty
Other bovine and horse hides and skins, shaped or otherwise, including pieces, of an f.o.b. price per sq. ft. of:		
Not less than 1s. 2d.....	Free	Free
Less than 1s. 2d. but not less than 10d.....	Free	20% ad val.
Less than 10d.	Free	3d. per sq. ft.

* It is difficult to indicate exactly the former duties for these items because of the radical changes of classification but, in the main, the former duties were 20% or, in some cases, 20% or a duty per lb., whichever might be the greater. Horse hide, for example, was formerly duty free if the f.o.b. price per square foot was not less than 9d., but was otherwise dutiable at 20% or 6d. per lb., whichever was the greater.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to July 1, 1944:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to July 1, 1944	
				Quantity	Per Cent
Whole milk.....	Gal.	3,000,000 per calendar year	6½ to 3¼c. per gal.	2,728	....
Cream.....	Gal.	1,500,000 per calendar year	56½ to 28¼c. per gal.	451	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.....	Lb.	18,210,658 per calendar year	2½ to 1¾c. per lb. 75 to 37½c. per 100 lb.	13,940,371½	76.5
Seed potatoes.....	Bu.	1,500,000 beginning Sept. 15, 1943	75 to 37½c. per 100 lb.	1,071,271	71.4
White or Irish potatoes, other than seed potatoes.....	Bu.	1,000,000 beginning Sept. 15, 1943	75 to 60c. per 100 lb. Dec. 1 to end of Feb.: 37½c. Mar. 1 to Nov. 30	443,787	44.3
Red cedar shingles.....	Sq.	2,153,984	Free	728,376	33.8
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins..	No.	100,000 beginning Dec. 1, 1943	50 to 35% ad val.	40,270†	40.2
Tails.....	Piece	5,000 beginning Dec. 1, 1943	50 to 35% ad val.	2	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries and for the period May 1 to July 1, 1944, imports totalled 7,169. However, there is no indication in the statement by Treasury Department as to what proportion of these imports were supplied by Canada.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 24, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 24, 1944, and for the week ending Monday, July 17, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 17	Nominal Quotations in Montreal Week ending July 24	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies . Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2747	.2744	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5879	.6066	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

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Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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EXTERNAL TRADE OF NEW ZEALAND 1943

By C. B. BIRKETT, *Acting Trade Commissioner in Auckland*

I

The outstanding feature of New Zealand's seaborne trade during the calendar year 1943 was the record high level of imports, the value of which reached £94,714,000, an increase of £41,045,000, or 76·5 per cent, over the total for 1942. The nearest figure to this total was achieved in 1920, when the value amounted to £61,553,853.

Although there were substantial imports of war equipment and materials in 1942, the peak of the greatly expanded imports of this type was probably reached in 1943, including heavy receipts on lend-lease account. This explains the abnormal import value which has broken a long-standing record of a favourable balance of trade for New Zealand.

Exports, on the other hand, showed a decline of £9,036,000 from the figure for the previous year but the total

value (£71,839,000) has been exceeded in only one other year (1940), when the value amounted to £73,741,000.

The total value of external trade during 1943 was £166,553,000, the balance of trade being unfavourable to the amount of £22,875,000.

Trade statistics covering recent calendar years are shown in Table 1.

In a comparison of foreign trade values, allowance must be made for price increases as indicated in the following table of relevant index numbers:

	Export Prices	Import Prices
1939	100	100
1942	120	151
1943	125	174

As shown in the foregoing table, the advance in import prices is out of proportion to that in export prices.

Exports

In spite of the fact that New Zealand exports in 1943 have been exceeded in value in only two previous years, the decline in volume of the principal items is noteworthy, and the total is the lowest for eight years. Butter, cheese, wool, and all types of frozen meat except veal, show large reductions. Table 2 shows the quantities and values of exports of principal commodities in 1943 as compared with 1942.

The reversal in trend and the causes—lack of manpower and fertilizer and periods of unfavourable weather—are the occasion of considerable concern. Until the drastic measures adopted to remedy the situation have operated for a time, perhaps for some years, New Zealand exports of primary products will remain below the record established in 1942.

A noteworthy feature of these export statistics is the indicated expansion under wartime conditions in ship-

ments of biscuits and dehydrated meats, mainly to the forces in the Pacific area.

In an effort to explain the apparent anomaly that, although imports in 1943 greatly exceeded exports, the value of New Zealand's overseas credit increased during the year by more than £2,000,000, the Canterbury Chamber of Commerce comments as follows:

Total imports for the year amounted to £94,000,000 and total payments for ordinary trade imports were £28,700,000. This would leave £66,000,000 of imports on government account. If lend-lease materials received and included in imports, but not paid for, amounted to £30,000,000, which is three-quarters of the estimate for the financial year, there would remain £36,000,000 of other government imports. The Government's actual payments for debt services, imports, etc., were £55,000,000. If the imports were £36,000,000, other payments for debt service, the maintenance of troops abroad, etc. would be £19,000,000. Deductions such as these can be only approximate, but they indicate the nature and the general magnitude of the items involved. Further, they reconcile the extraordinary trade figures recorded with the actual exchange transactions during the year.

TABLE 1

Statistical Summary of New Zealand Trade

	Exports	Imports	Total	Excess of Exports (+) or Imports (-)
	Figures in Thousands of Pounds			
1939	58,049	49,387	107,436	+ 8,662
1940	73,741	48,998	122,739	+24,743
1941	67,479	49,167	116,646	+18,312
1942	80,875	53,670	134,545	+27,206
1943	71,839	94,714	166,553	-22,875

TABLE 2

New Zealand Exports of Principal Commodities

	1942 1,000 Cwt.	1943 1,000 Cwt.	1942 £1,000	1943 £1,000
Butter	2,344	1,983	16.5	14.4
Cheese	2,689	2,010	11.9	9.1
Lamb	3,638	3,198	12.6	11.1
Beef	804	381	2.0	0.9
Mutton	639	445	1.2	0.7
Pork	270	10	1.0	....
Potted meats	326	330	1.7	1.8
	Lb.	Lb.		
Sausage skins	4,858	4,333	0.9	1.1
	Bales	Bales		
Wool	934	622	18.3	13.5
	Tons	Tons		
Tallow	52	45	1.1	1.1
Hides and skins .....	....	....	4.6	4.3
Other items .....	....	....	9.1	13.8
Total value			80.9	71.8

Imports

The value of New Zealand imports in 1943, as mentioned previously, reached the record figure of £94,714,000. It is not practicable to account in detail for this large increase since the greater part of it was on government

account, and official returns for many articles for military purposes are not published.

Table 3 sets out the values of the principal imports in 1943 of a non-confidential nature, with comparative figures for 1941 and 1942:

TABLE 3
New Zealand Imports of Principal Commodities

	1941	1942	1943
Barley	£ 138,271	£ 26,047	£ 90,832
Wheat	278,885	609,185	513,105
Maizena and cornflour	59,744	39,216	21,182
Rice	90,439	88,580	67,871
Sugar	1,217,529	1,587,865	1,355,963
Tea	1,499,302	2,306,589	462,341
Brandy	34,695	38,592	40,501
Gin (Geneva) and schnapps	47,797	60,827	65,874
Rum	7,923	17,289	17,229
Whisky	240,641	172,443	256,679
Tobacco, unmanufactured	551,795	221,447	666,277
Tanning materials	77,427	94,809	120,571
Wood-pulp and paper-pulp	169,301	48,072	61,281
Hats, caps, millinery and materials therefor	210,422	235,887	283,934
Hosiery	66,211	296,922	32,472
Apparel and ready made clothing n.e.i.	125,535	113,612	85,549
Footwear	142,591	51,405	81,771
Materials for footwear	134,775	73,604	83,556
Minor articles for apparel	259,896	171,207	158,591
Plain tablecloths, towels, sheets, etc.	144,678	222,316	149,877
Drapery n.e.i.	126,437	148,579	154,664
Floor coverings	489,720	359,855	191,351
Silk and artificial silk piece-goods	1,185,577	1,636,572	2,032,001
Woollen piece goods	1,150,237	971,512	830,999
Sewing silks and cottons	351,331	400,090	352,302
Bags and sacks (corn)	278,082	226,754	326,020
Woolpacks	117,760	146,262	263,862
Yarns	753,983	609,817	1,025,239
Asphalt, bitumen and road oils	63,651	52,563	104,215
Oils in bulk (linseed)	215,351	259,382	114,531
Turpentine	49,778	35,794	72,639
Other vegetable oils	129,203	29,727	82,687
Paints, colours and varnishes	367,864	294,985	332,112
Lead, pig	88,143	83,047	97,009
Tin (ingots, etc.)	213,320	8,229	172,611
Bolts and nuts	98,572	60,274	125,407
Brass pipes, plate, etc.	59,712	56,461	54,547
Chains, metal	20,031	13,090	20,596
Copper pipes, plate, etc.	198,783	132,547	108,469
Cordage of metal	225,686	236,853	303,592
Metal leaf and foil	24,556	23,242	10,971
Meters, measuring, etc.	221,774	187,696	233,767
Nails and tacks	40,918	25,646	60,529
Plate and plated ware	12,484	6,125	5,167
Railway and tramway plant	243,885	87,964	232,305
Rivets and washers	37,437	30,745	33,880
Screws for wood and metal threaded screws, etc.	76,344	53,582	102,741
Tools and implements, artificers'	235,713	251,954	342,537
Copper wire	161,719	77,477	136,531
Fencing wire, barbed	54,719	94,099	27,574
Fencing wire, plain	133,579	52,089	60,551
Wire netting	32,115	1,104	12,270
Hardware, cutlery and metal manufactures	581,185	506,559	542,830
Agricultural implements and machinery	285,835	154,915	411,594
Dairying machinery	108,630	51,339	86,982
Electrical machinery and equipment	1,981,991	1,687,966	2,329,150
Wireless apparatus	216,070	265,355	436,815
Engines, gas and oil	104,097	110,183	79,271
Sewing-machines	99,085	68,279	49,837
Metal, wood, glass, etc., working machines	240,209	274,757	456,026
Typewriters	27,916	18,577	17,681

New Zealand Imports of Principal Commodities—Con.

	1941	1942	1943
Vacuum cleaners	19,580	1,565	179
Dredging and excavating machinery	84,235	44,115	125,466
Woolen-mill and hosiery-mill machinery	108,315	84,110	61,327
Machinery, other kinds	1,809,010	1,315,180	2,008,944
Belts and belting for driving machinery (other than leather belting)	89,952	56,831	76,900
Raw rubber and rubber goods, other than tires.....	366,924	225,411	134,491
Leather	256,847	252,323	391,170
Timber, sawn	238,564	171,823	231,611
Timber, other	115,935	131,346	72,302
Veneers and plywood	81,974	52,572	9,021
Cement, building	6,464	5,874	13,330
Earthenware and chinaware	271,175	298,431	202,186
Glass, plate and sheet	174,285	190,430	155,607
Glassware	143,659	132,819	149,481
Cardboard and wallboard	229,920	47,454	136,101
Paperhangings	76,270	46,911	38,517
Printing paper (newsprint)	202,636	42,788	301,897
Printing paper, other	250,678	130,860	609,127
Other paper	541,287	497,480	672,005
Stationery	101,955	125,631	134,125
Fancy goods	30,604	25,834	41,925
Jewellery	27,356	11,935	10,891
Sporting requisites	68,369	21,455	20,192
Timepieces	60,644	34,309	107,261
Surgical and dental instruments and materials.....	293,178	245,669	389,242
Cream of tartar substitutes	59,197	37,124	72,986
Insecticides and disinfectants	237,258	144,151	167,513
Salt	133,344	130,206	223,494
Totals	£49,167,000	£53,670,000	£94,714,000

Particulars of importations of materials and equipment for war purposes are not, of course, published, nor is any indication given of the countries of supply of the published items. It is not possible, therefore, to give details of New Zealand purchases abroad. It is apparent, however, that items for civilian consumption are mainly raw and semi-raw materials and essential products.

CHANGES IN IMPORTS

Table 4 contains import statistics, which show the rise or fall in imports

taken from a recent report of the New Zealand Reserve Bank, of consumer and other goods over the period 1938 and 1942.

The import value of consumer goods in 1942 was just half that for 1938, which indicates the extent to which supplies to New Zealand have been restricted and the market created for goods of local manufacture, particularly clothing and household equipment. The drop in food imports shows the reduced dependence on imported packaged foods such as tinned fish, breakfast foods, tinned soups and vegetables, etc.

TABLE 4

New Zealand Imports of Consumer and Other Goods

	1938	1942
Consumer goods—		
Food	£ 2,145,000	£1,104,000
Beverages	1,652,000	2,669,000
Tobacco	824,000	23,000
Clothing, etc.	3,072,000	595,000
Household equipment	3,046,000	1,141,000
Other	4,027,000	1,808,000
Totals	£14,766,000	£7,340,000
Other goods—		
Producers' materials	20,007,000	20,874,000
Fuels and lubricants	3,092,000	3,232,000
Auxiliary aids to production	992,000	1,370,000
Producers' equipment	7,873,000	4,633,000
Transport equipment	8,383,000	1,806,000

The increased imports of producers' materials and aids and the decrease in value of equipment brought in, as shown in the second part of Table 4, reflect the expanding industrial activity achieved with equipment largely

imported before the outbreak of war, allowance being made for a certain proportion obtained from the United States on lend-lease. Much of the equipment in use is in urgent need of replacement.

COAL PRODUCTION IN THE UNITED KINGDOM

By J. A. LANGLEY, *Canadian Trade Commissioner in London*

Practically all branches of United Kingdom industry have responded to the demands made upon them during the course of the war, and have adapted themselves to most contingencies, with the result that, except in a few isolated instances, production targets have been achieved.

One of the exceptions to this generalization is coal, which has been an obstinate problem to the authorities since the outbreak of hostilities.

The Ministry of Fuel and Power has just published a White Paper containing complete statistics on coal since 1938. In view of the importance of the industry to the economy of the United Kingdom some of the main conclusions to be drawn from the figures are summarized below.

Decline in Output

The overriding fact is that the output of coal has been declining ever since the war began. The following table shows the extent of the contraction, and the reduction in the number of pits operating, during the past six years:

	Coal Mines	Salable Coal Produced Tons
1939	1,955	231,337,900
1938	1,976	226,993,200
1940	1,868	224,298,800
1941	1,845	206,344,300
1942	1,836	203,633,400
1943	1,782	194,493,000

In the first quarter of 1944 the tonnage lifted was only 47,581,300 tons against 50,240,800 tons in the first quarter of 1943.

Employment

The number of men employed in the industry fell from 781,700 in 1938 to 703,600 in April of the present year.

Output per man-shift at the coal face fell from 2·95 tons in 1938 to 2·72 tons in April last. Absenteeism from all causes nearly doubled in the same period and reached 12·4 per cent in 1943.

One of the main causes of the difficulties reflected in the above figures was that, after the fall of France (formerly an important export market), the manpower requirements of the Forces took precedence over those of the mines. Many young men were taken from the industry during this phase, and when, at a later stage, the situation was reversed, and the need for greater coal production assumed the highest priority, it became difficult to recruit new labour for the mines. At the same time the average miner of to-day is neither as young nor as fit as he was in 1939.

Disputes and Costs

Disputes in 1942 caused a loss of 597,000 man-days of work and 833,200 tons of coal and in 1943 a loss of 692,600 man-days and 1,090,700 tons. In the first quarter of 1944, there were lost 1,564,100 man-days, representing 2,032,900 tons.

At the same time costs have risen. The total cost of production of a ton of coal commercially disposable in 1938 was 16s. 1·34d. In the last quarter of 1943 it was 27s. 2·7d.

Mechanization

Progress in the mechanization of the industry has not been as rapid as might have been expected in the circumstances. Fifty-nine per cent of coal was cut by machinery in 1938 and 54 per cent conveyed to the pithead by

machinery. Last year 69 per cent was cut by machinery and 66 per cent conveyed. In 1938 the total cut mechanically was 134,957,553 tons and the total conveyed by machinery 122,915,226 tons; in 1943 the total cut and conveyed mechanically was 134,131,691 and 128,944,075 tons respectively.

Strategic Position of Coal

It will be realized from the foregoing statistics that it is important that the

downward trend in coal production should be reversed as quickly as possible. Coal is the most valuable single raw material asset which the United Kingdom possesses. The general health and efficiency of United Kingdom industry as a whole will depend in no small measure upon the success of the efforts now being made to overcome the many difficulties which have beset coal mining in the war years.

London, July 11, 1944.

WORLD WHEAT SITUATION

Monthly review in *Dominion Bureau of Statistics Daily Bulletin*

Although a record reduction of approximately 600,000,000 bushels in the carry-over of old wheat in the four major exporting countries is in prospect for July 31 this year, this slump in available wheat supplies loses most of its significance in the light of current prospects for wheat production in North America in 1944.

In the United States, the wheat surplus was reduced from 620,000,000 bushels to 350,000,000 bushels in the twelve months ended July 1, 1944, but the record-breaking crop of 1,128,000,000 bushels forecast for 1944 would build supplies of wheat for the 1944-45 season up to a figure some 22,000,000 bushels greater than the supply of native wheat in the United States during the crop year 1943-44.

Canada's wheat surplus at the close of the current crop year is expected to be between 330,000,000 and 350,000,000 bushels compared with 594,000,000 bushels at the end of July, 1943, but crop prospects at the moment are such as to suggest that total wheat supplies in Canada during the next twelve months will be perhaps only 10 to 15 per cent less than they were in the crop year 1943-44.

The position in Australia and Argentina indicates a comparatively small reduction in the wheat surplus from a year ago, although both countries are exporting wheat and flour in larger

volume than at this time last year. Some increase in wheat acreage is expected in Argentina where the new crop is off to a good start. Rains are needed in sections of Australia but the general situation there appears to be more favourable than it was a year ago when drought was severe and eventually a very small crop was harvested.

There would appear now to be assurance that supplies of wheat in the surplus-producing countries of the new world are ample to meet requirements in the twelve months ahead and leave sizeable reserve stocks on hand at July 31, 1945. Some reduction in animal feed requirements appears certain in the United States where wheat has been substituting for other grains, and it is quite probable that in Canada also there will be a reduction in the amount of wheat diverted to animal feeding in the new crop year.

Canada would seem to be in a position to maintain exports of wheat in the 1944-45 crop year at a level approximating that of the 1943-44 season and still finish with substantial reserve stocks on hand at the end of July, 1945. The direction of export shipments in the new season may show some change with larger amounts going overseas and less to the United States, but the current appraisal of the statistical position of Canadian wheat points to the availability of at least 350,000,000 bushels for export in 1944-45 without

reducing the carry-over to an undesirable level before the 1945 wheat crop is harvested.

In the allocation of wheat supplies in the United States during the 1944-45 crop season, the War Foods Administration has provided substantially larger quantities of wheat for export or relief shipment, and has greatly reduced the allowance for animal feeding. Total requirements for the year ending June 30, 1945, are placed at 1,115,000,000 bushels and total supplies in excess of 1,500,000,000 bushels, so

that no reduction from this year's carry-over is anticipated a year hence.

International trade in wheat and flour in the crop year just ending was the largest since the first year of the war, but this was due in large measure to the heavy purchases of Canadian wheat by the United States. There is good reason for assuming that the volume of Canadian wheat purchased by the United States during the crop year 1944-45 will be smaller but any cutback in this direction could easily be offset by larger exports to Europe.

CONDITIONS IN ALGERIA AND TUNISIA

From The Times Trade and Engineering

The present economic situation in Algeria and Tunisia seems to be little affected by considerations of future policy. Economic life is dominated entirely by the war and its impacts, though neither country remains a theatre of military operations.

Actual war damages have been suffered on a considerable scale in Tunisia where the official estimate runs as high as 10 milliard francs, but are comparatively small in Algeria. But though here the destruction has been inconsiderable, the people have felt, and are still feeling, the full weight of the war on their manpower, transport, and supplies.

Scarcity of Rural Labour

The shortages of labour are very serious. This is due to two main reasons: conscription for the French Army and work for the Forces. The French say that work for the Allies in North Africa is so widespread that practically no labour remains for French non-military purposes.

Unfortunately, no unified policy on wages seems to exist. Whereas native labour, in particular farm labour, is still paid according to slightly adjusted pre-war standards, i.e., on the average between 12 and 20 francs a

day, the workers engaged by the Allies can make up to even 100 francs. Naturally, civilian work with the Forces, mainly in the towns and ports, is preferred to work in the fields, and the scarcity of labourers in the country grows more acute.

Fall in Agricultural Output

This is a serious obstacle to the reconstruction of normal economic life. In normal times French North Africa was agriculturally a surplus area. It used to export considerable quantities of grain, oil, vegetables, and wine, and became in 1941 and 1942 the main centre of Vichy's food supplies.

When the Allies landed the situation was that large grain shipments had just been made to Metropolitan France for which compensation was to be made later from the French crop. This plan, of course, could not be carried out. Though the Allied armies were fed from imported supplies of their own, the shortage of manpower was so pronounced that the output of French North African agriculture did not even cover the internal demand. Additional imports, especially of wheat, became necessary and though they now arrive regularly there is still no abundance.

Transport Difficulties

The fall in agricultural production is, however, not only due to the dearth of labour but also to the want of agricultural machinery, the lack of fertilizers, and the sorry state of transport. Agricultural machinery has not been renewed for years, and apart from excessive wear and tear during the war may have suffered damage in the course of the North African battles. A small volume of American tractors and tools is now said to be imported regularly. Yet it does not seem to be enough to go around.

Transport difficulties hamper both production and distribution. The lack of fertilizers, for instance, is attributed to the fact that not sufficient trucks are available to bring Tunisian fertilizers to Algeria. The railways have to give priority to military traffic. Some improvement has recently been made by imports of lorries from the United States and by making military lorries available to help in transporting food. But so far all is makeshift and does not go very far.

The whole railway system is in need of a thorough overhaul and the rolling-stock needs renewal and increase. That cannot be done during the war and the roads bear most of the burden, though the shortage of petrol is a serious hindrance.

Prospects for 1944 Harvests

However, things are better than they were a year ago, and it is hoped that the 1944 harvest will not be such a failure as was that of 1943, when only 700,000 quintals of soft corn instead of two million were gathered. There are also hopes of better wine production and a larger output of olive oil. In 1937 Tunisia had 17.8 million olive trees which produced up to 60,000 litres of olive oil.

Pre-war External Trade

Industry and trade suffer from the same difficulties as agriculture—namely, lack of manpower, of trans-

port, and of supplies. Before the war Algeria and Tunisia traded mainly with Metropolitan France. Algeria received 76.5 per cent and Tunisia 66.6 per cent of their imports from there; 82.1 per cent and 60.7 per cent of Algerian and Tunisian exports respectively went to France. They imported fuel and petrol, textiles, metal goods, etc., and exported agricultural products, mainly early vegetables, fruit, wine, olive oil, and wheat. Mineral products, such as phosphates and iron ore were exported from Tunisia.

Great Britain and the United States accounted for only 1.7 per cent and 1.6 per cent respectively of Algerian imports and 4 per cent and 3.6 per cent of those of Tunisia. They participated in Algerian exports to the extent of 5.6 per cent to Great Britain and 1.7 per cent to the United States; in that of Tunisia to the extent of 11.3 per cent to Great Britain and 5.2 per cent to the United States.

Present Foreign Trade Situation

What remains of foreign trade is conducted with Britain and the United States. But though, absolutely and relatively, both have increased, they represent a fraction only of French North Africa's normal foreign trade. The main activities of the merchants are concentrated on the home market, and since production has fallen compared with pre-war standards, and the additional demand of the armies must be satisfied, dearth of supplies constitutes the main commercial feature.

No figures have been published during recent years on either Tunisian or Algerian mineral production. Tunisia used to be the greatest world producer of phosphates after the United States. Algeria was the most important African producer of iron ore, a considerable part of which went to Britain. No changes have been reported in Tunisian or Algerian mining, or in Algerian and Tunisian industrialization as such.

The replacement of Tunisian capital goods destroyed by the war is still in its early stages. A loan of one milliard

frances by the Tunisian Treasury for purposes of reconstruction of war damages did not go very far. Part of it was used for credits to the farmers.

Mutual Aid Agreements

Great Britain and the United States have been most anxious to assist the French as much as possible. On February 8, 1944, two Anglo-French financial and mutual aid agreements were signed in Algiers.

The financial agreement may be considered of fundamental importance in trying to define future monetary co-operation between the two countries. In the words of the Chancellor of the Exchequer, "it is hoped that it will form the basis of a lasting monetary agreement between France and Great Britain". Its main provisions are the unification of the franc rate of exchange, which is to be fixed for the whole Free French Empire at 200f. =£1, and the free acquisition by either party of each other's currency. Also it lays emphasis on the need for continuous consultation to maintain, so far as possible, the equilibrium between the two currencies.

The mutual aid agreement provided mutual assistance for the joint prosecution of the war. At the same time, it leaves scope for building up supplies for Metropolitan France to be used after the war as France's own contribution to her rehabilitation. The French "Office d'Approvisionnement" has been authorized to buy and stock colonial products for use in France after her liberation, and the French representatives at the West African Produce Board and the Middle Eastern Supply Centre are instrumental in carrying out the plan which the Comité Economique at Algiers issued in the autumn of 1943.

France the Economic Mainstay

What are the trade prospects of Algeria and Tunisia judging from present-day conditions? It seems as if British industrialists and merchants will have to resume their contacts where they were interrupted. Clearly the main key to a lasting increase of French North African purchasing power and a widening of the Algerian and Tunisian markets lies in the economic future and the prosperity of Metropolitan France.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

BUTTER FOR THE TROPICS

Tropical butter spread, a type of dehydrated butter which does not wilt in hot climates, is being manufactured in Australia and delivered to troops in New Guinea, according to a British press report. Production is at a rate of over 150 tons a week and is expected this year to reach 6,750 tons, which is equal to about 8,000 tons of ordinary butter. It is claimed that the dehydrating process does not destroy any of the food value of the butter but gives it a slightly caramelized taste. Those engaged in its production hope that after the war the new processed butter will become an established export to tropical countries.

Brazil

COFFEE EXPORTS IN 1943

A total volume of 10,115,969 bags of coffee, valued at Cr.\$2,803,768,000, was exported from Brazil in 1943, according to figures published by the National Coffee Department. These figures compare with 7,279,658 bags valued at Cr.\$1,965,738,000 in 1942.

The principal destinations of coffee exports in 1943 were: United States, 8,553,664 bags (6,189,160 bags in 1942); Argentina, 421,280 bags (397,676); Sweden, 321,863 bags (100,893); United Kingdom, 190,134 bags (300); Spain, 183,502 bags (110,892); Canada, 121,389 bags (31,275); Chile, 103,603 bags (172,826); Switzerland, 74,391 bags (124,364); South Africa, 51,790 bags (61,038).

Belgian Congo

GROWTH IN RUBBER OUTPUT

Rubber production in the Belgian Congo is being developed at a rapid rate. Last year it rose to about 12,000 tons from 2,000 tons in 1942, and it is expected to reach 15,000 tons this year.

Chile

FOREIGN TRADE IN MARCH QUARTER

Preliminary returns of Chile's foreign trade over the first three months of 1944 give the value of exports at 247,300,000 pesos (of 6d. gold), an increase of 19 per cent on the figure of 207,897,000 pesos for the like period of 1943. While imports amounted to 155,900,000 pesos, an increase of 18.7 per cent on the 1943 figure of 131,946,500 pesos.

Egypt

FINAL ESTIMATE OF COTTON CROP

The final official estimate of the 1943-44 Egyptian cotton crop is 3,569,000 kantars. This figure compares with the December estimate of 3,300,000 kantars and the estimate of 4,154,000 kantars for the 1942-43 crop.

India

RELAXATION OF IMPORT CONTROL

There have been several recent instances of readiness on the part of the Indian Government to relax existing import control regulations so as to permit imports from Canada of goods which have been subject to import prohibition. The initiative has in general been taken by local authorities, although in other instances where goods have been released for export from Canada to this market corresponding concessions have been secured in India.

The variety and individual volume of the trade involved has been of small importance and in several cases the granting of import permits to local buyers has not resulted in shipments from Canada, owing to the preoccupation of the manufacturers with more urgent demands on their output. It is of interest to note that import con-

trol has been relaxed in the case of a number of toilet articles and requisites, several types of hosiery and knitted wear, clocks and watches, typewriters, and a number of foodstuffs.

Occasional instances of encouragement given to import trade from Canada should not be taken as indicative of a new or drastically altered policy. The prime factor affecting import trade from Canada is the conservation of dollar exchange. In keeping with this objective, it is probable that relaxation of these trade regulations will be apparent for some time only when the local market is badly in need of goods which may be procurable from Canadian sources.

BUSINESS ACTIVITY

A reliable index of business activity in India shows a noteworthy advance for the month of March to 122.8, the highest figure recorded since February, 1942. It compares with the figure of 108.2 for March, 1943.

The principal factors involved in the recent upward trend of this index, writes Paul Sykes, Canadian Trade Commissioner at Bombay, have been increased activity in the jute industry, improved figures of production in the paper industry, and some improvement in cotton consumption. There has been a slight decline in the production of iron and steel and in coal raisings. Cheque clearances and note circulation stand at higher levels than for some time.

An interesting indication of the general atmosphere in the local commercial community is provided by an index of stock and share prices computed up to May, 1944. During that month the index of government security prices stood at 104.3, that of preference shares at 126.6, and that of variable yield securities at figures from 154.8 in the case of bank shares to 411.8 in the case of paper mills. The combined index of 231.9 is far in excess of any previous indices of such prices.

INDIA'S LEND-LEASE CONTRIBUTIONS

India is contributing at an increasing rate to reverse lend-lease supplies. The substantial number of service personnel stationed in India, or in transit through India, requires large quantities of food and equipment and recent supplies furnished by this country have comprised substantial amounts of meat, fish, eggs, fruit, bread, vegetables, and beverages. These have been supplemented by various items of clothing, diesel oil, and other fuel. Contributions in the form of accommodation, ship repairs, transport, and other services also continue.

Up to the end of 1943 it was estimated that India's contribution to reverse lend-lease was considerably less than receipts. This position is now being rapidly corrected and the two operations are henceforth likely to show a fair degree of balance.

Among India's varied receipts of lend-lease material from the United States have been substantial quantities of agricultural machinery and farm equipment. It was recently reported that goods of this type, including tractors, scrapers, ploughs, harrows, drills, cultivators, milk cans, and pasteurizers, to a value of about £275,000 has been supplied to this country on lend-lease terms up to October 31, 1943.

Sudan

GLASS FACTORY AT KHARTOUM

Production of glass cups and tumblers from broken glass collected all over the country was begun in the Khartoum Glass Factory early in March, reports *The African World*. The output has been running at several hundreds of glass coffee cups and tumblers a day.

Present supplies of glass in the Sudan may not last longer than a year and investigations are being made to see if sand suitable for glass manufacture can be found in the country. It is considered likely that sand from the Red Sea Hills will be usable, in which

case the Khartoum factory will undertake the whole process of making new glass.

South Africa

GOLD AND DIAMONDS

Gold production in May was 1,058,875 ounces valued at £8,894,550, according to press reports. This output was 123,803 ounces less than that of May, 1943. Profits are said to be declining owing to rising costs, with the result that low-grade mines are closing down and large tonnages of ore in the richer mines are becoming unprofitable.

In contrast, the diamond industry is booming. The sale of diamonds in 1943 exceeded a value of £20,000,000 and sales this year are expected to attain a high level.

MANUFACTURE OF BATHS

Plans are being made, it is reported, for the financing and erection of a factory for the large-scale manufacture of baths. One of the main factors retarding the building of houses is a shortage of baths. Supplies are not being obtained from overseas and the existing domestic production is unable to meet the demand. It is thought that the projected bath-making industry will be an economic proposition after the war.

United States

COFFEE IMPORT QUOTAS

Quotas of the coffee-producing countries of South and Central America for imports into the United States under the Pan-American Coffee Agreement for the current quota year ending September 30, 1944, as upwards revised recently by the Inter-American Coffee Board, aggregate 20,959,375 bags (of 60 kilos). The quotas by countries are: Brazil, 12,259,446 bags; Colombia, 4,152,393; Costa Rica, 263,644; Cuba, 105,458; Dominican Republic, 157,866; Ecuador, 197,733; El Salvador, 790,932; Guatemala, 705,248; Haiti, 362,510; Honduras, 26,361; Mexico, 626,155; Nicaragua, 257,053; Peru, 32,956; and Venezuela, 553,652 bags.

CANADA'S EXTERNAL TRADE IN JUNE

Canada's external trade in June, excluding gold, was of near-record proportions, the aggregate being \$498,465,000 as compared with \$529,887,000 in the previous month and \$397,899,000 in the corresponding month of last year. For the first six months of 1944 the total was \$2,633,245,000 as against \$2,127,785,000 in the similar period of 1943, an increase of \$505,460,000.

Exports

Domestic exports in June, excluding gold, were valued at \$343,158,000 as compared with \$368,357,000 in May and \$249,232,000 in June of last year. Merchandise exports during the first half of 1944 were valued at \$1,746,268,000 as compared with \$1,277,763,000 in the same period of last year, an increase of \$468,505,000. Re-exports in June were valued at \$2,829,000, and in the six months ended June at \$22,448,000.

Merchandise exports to the United Kingdom in June were valued at \$127,929,000 as compared with \$105,615,000 in the corresponding month of last year, the aggregate for the first half of this year amounting to \$652,761,000 as compared with \$449,888,000 in the same period of last year. June shipments to the United States were valued at \$111,157,000 compared with \$90,935,000, increasing the six-month total to \$637,623,000 from \$521,824,000 a year ago.

Domestic exports to Egypt in June were valued at \$20,588,000 (\$6,460,000 in June of last year); to Italy, \$19,080,000 as against nil; British India, \$13,359,000 (\$11,295,000); Russia, \$9,828,000 (\$1,640,000); China, \$7,002,000 (nil); Newfoundland, \$5,756,000 (\$4,564,000).

The following were among the principal commodities exported in June, values for June of last year being shown within parentheses: wheat, \$32,685,000 (\$22,461,000); wheat flour, \$8,757,000 (\$5,850,000); fishery products, \$5,474,000 (\$5,413,000); meats, \$23,564,000 (\$11,860,000); eggs, \$2,-

450,000 (\$1,835,000); wool, \$2,655,000 (\$237,000); planks and boards, \$7,079,000 (\$6,140,000); wood-pulp, \$9,044,000 (\$9,621,000); newsprint paper, \$14,391,000 (\$11,485,000); motor vehicles and parts, \$38,088,000 (\$35,293,000); chemicals, \$11,530,000 (\$5,335,000).

Imports

Canada's merchandise imports in June were valued at \$152,478,000 as compared with \$146,762,000 in the corresponding month of last year. The aggregate for the first six months of this year was \$864,529,000 as against \$839,684,000 in the like period of last year.

The United States was the chief source of supply, imports from that country in June amounting to \$122,240,000 as compared with \$121,085,000 in June of last year and during the six months ended June to \$708,968,000 as against \$688,399,000 a year ago.

Merchandise imports from the United Kingdom in June were valued at \$9,412,000 as compared with \$9,715,000 in June of last year, the value for the six months ended June amounting to \$54,462,000 as against \$65,291,000 in the same period of last year. Imports from other leading countries were as follows, totals for June, 1943, being shown within parentheses: British India, \$2,270,000 (\$1,685,000); Colombia, \$1,619,000 (\$176,000); New Zealand, \$1,441,000 (\$512,000); Brazil, \$1,384,000 (\$323,000); Jamaica, \$1,369,000 (\$851,000); Newfoundland, \$1,144,000 (\$1,042,000); Mexico, \$957,000 (\$632,000); Australia, \$834,000 (\$1,195,000); Venezuela, \$834,000 (\$305,000).

The following were amongst the leading commodities imported in June, totals for June of last year being shown within parentheses: fruits, \$6,493,000 (\$3,798,000); vegetables, \$2,016,000 (\$2,089,000); coffee and chicory, \$3,360,000 (\$494,000); cotton, \$8,155,000 (\$6,494,000); wool, \$3,587,000 (\$2,988,000); rolling-mill products, \$3,701,000 (\$6,311,000); engines and boil-

ers, \$3,808,000 (\$4,197,000); farm implements, \$3,868,000 (\$1,602,000); machinery, except agricultural, \$6,934,000 (\$13,115,000); vehicles, \$7,482,000 (\$7,700,000); electrical apparatus, \$5,465,000 (\$4,667,000); coal, \$9,587,000 (\$7,482,000); petroleum products, \$9,759,000 (\$8,073,000); chemicals, \$7,519,000 (\$6,359,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports and imports (excluding gold) by principal countries and commodities for the month of June and six months ended June, 1944, and 1943:

Exports by Principal Countries

	Month of June		Six Months ended June	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	343,158	249,232	1,746,268	1,277,763
Empire countries	164,197	136,326	826,983	626,324
British East Africa	349	2,072	2,170	11,288
British South Africa	2,417	4,811	11,495	19,082
Southern Rhodesia	165	133	518	462
British West Africa	197	2,038	1,808	5,337
Bermuda	213	217	1,516	855
British India	13,359	11,295	70,906	67,493
Ceylon	443	1,659	2,055	2,341
British Guiana	606	621	3,583	3,254
Barbados	532	167	1,645	1,692
Jamaica	1,410	168	6,713	4,150
Trinidad and Tobago	1,835	865	8,480	6,451
Other British West Indies	763	208	2,874	2,219
Newfoundland	5,756	4,564	20,108	17,337
Australia	3,860	1,305	24,567	18,942
Fiji	113	....	301	147
New Zealand	3,122	219	7,707	13,501
Palestine	130	70	503	264
Eire	546	208	5,234	1,296
United Kingdom	127,929	105,615	652,761	449,888
Foreign countries	178,961	112,906	919,285	651,439
United States	111,157	90,935	637,623	521,824
Argentina	139	460	1,815	1,896
Bolivia	22	12	102	67
Brazil	529	571	2,636	2,847
Chile	211	164	701	654
China	7,002	....	14,854	....
Colombia	232	71	1,007	528
Costa Rica	13	21	214	79
Cuba	281	104	1,612	1,101
Ecuador	26	28	146	89
French Possessions	20,588	6,460	71,243	69,740
Egypt	3,172	4,385	16,353	7,176
Guatemala	17	25	162	128
Haiti	72	4	261	100
Honduras	5	17	57	75
Iceland	275	67	1,434	1,171
Iraq	968	941	3,857	12,776
Italy	19,080	....	88,607	....
Mexico	570	614	3,012	3,154
Netherlands West Indies	111	41	304	237
Nicaragua	27	40	118	148
Panama	82	14	347	203
Paraguay	12	....	13	....
Persia	10	5	344	43
Peru	146	46	717	369
Portugal	127	41	340	494
Portuguese Africa	48	2	169	19
Russia	9,828	1,640	47,405	10,407
Salvador	20	14	134	83
San Domingo	43	35	225	62
Spain	65	71	65	115
Switzerland	2,647	296	8,147	4,881
Turkey	88	4,826	6,636	5,057
Hawaii	235	376	705	1,251
Puerto Rico	205	160	942	719
Uruguay	63	99	620	497
Venezuela	98	70	830	323

Exports by Principal Commodities

	Month of June		Six Months ended June	
	1944	1943	1944	1943
	Thousands of Dollars			
Total domestic exports	343,158	249,232	1,746,268	1,277,763
Agricultural products	67,192	46,235	370,859	185,516
Fruits	212	85	2,057	1,613
Vegetables	1,132	383	5,937	3,910
Grains	47,950	33,456	249,030	117,139
Barley	2,677	5,479	13,197	13,407
Wheat	32,685	22,461	195,692	80,425
Wheat flour	8,757	5,850	48,659	33,720
Alcoholic beverages	1,568	817	9,423	6,979
Seeds	499	1,205	15,535	4,871
Animal products	37,868	24,092	194,862	132,291
Cattle (except for stock)	620	748	2,687	2,573
Fishery products	5,474	5,413	27,671	23,618
Furs (chiefly raw)	2,005	1,923	16,912	13,411
Hides, raw	50	41	312	391
Leather, unmanufactured	298	217	1,540	1,980
Leather, manufactured	583	140	1,774	934
Meats	23,564	11,860	117,300	63,368
Butter	174	82	973	211
Cheese	602	335	6,013	8,673
Eggs	2,450	1,835	9,457	8,965
Fibres and textiles	5,472	1,734	24,613	11,722
Cotton	713	300	3,294	3,338
Flax	226	154	1,359	1,589
Wool	2,655	237	10,724	1,446
Artificial silk	281	337	2,884	1,771
Wood and paper	38,829	33,479	200,201	171,908
Planks and boards	7,079	6,140	35,128	30,154
Timber, square	55	108	282	318
Shingles, red cedar	595	617	3,352	3,107
Pulpwood	1,517	1,261	7,941	6,311
Wood pulp	9,044	9,621	48,086	48,152
Paper, newsprint	14,391	11,485	76,013	63,980
Iron and products	86,271	56,549	421,229	263,885
Pigs, ingots, etc.	1,025	2,097	7,389	12,127
Rolling-mill products	1,263	365	4,569	1,525
Tubes and pipes	307	16	1,392	208
Farm implements	1,137	1,216	7,022	5,677
Hardware and cutlery	290	318	1,795	1,740
Machinery, other than farm	1,914	596	11,060	5,596
Motor vehicles and parts	38,088	35,293	233,983	176,406
Non-ferrous metals (excluding gold)	35,699	26,188	170,311	164,361
Non-metallic minerals	6,056	6,338	28,108	28,718
Coal	536	535	2,917	2,311
Petroleum	1,457	1,155	2,495	3,051
Stone	1,426	1,642	9,301	8,622
Chemicals	11,530	5,335	51,427	37,765
Acids	218	314	1,083	1,462
Fertilizers	2,090	1,356	13,331	9,091
Soda compounds	152	285	1,838	1,820
*Miscellaneous	54,241	49,282	284,657	281,596
Electric energy	737	1,037	3,947	3,835
Films	182	40	795	317

*Includes certain military stores.

Imports by Principal Countries

All countries	152,478	146,762	864,529	839,684
Empire countries	20,276	19,535	109,053	114,844
British East Africa	150	18	587	838
British South Africa	431	238	2,741	1,236
Southern Rhodesia	2	73	167	873
British West Africa	622	1,209	2,258	2,138
Bermuda .....	.....	.....	452	1
British India	2,270	1,685	15,213	8,110
Ceylon	403	700	2,870	4,737
British Guiana	681	695	3,399	2,944
Barbados	700	492	3,783	1,837
Jamaica	1,369	851	6,235	4,185
Trinidad and Tobago	239	180	303	245
Other British West Indies	106	149	753	393
Newfoundland	1,144	1,042	3,447	2,399

Imports by Principal Countries—Con.

	Month of June		Six Months ended June	
	1944	1943	1944	1943
	Thousands of Dollars			
Australia	834	1,195	4,604	3,325
Fiji	447	694	1,686	1,328
New Zealand	1,441	512	5,053	14,212
United Kingdom	9,412	9,715	54,462	65,291
Foreign countries	132,202	127,227	755,476	724,840
United States	122,240	121,085	708,968	688,399
Argentina	373	1,094	5,472	6,047
Brazil	1,384	323	4,447	1,610
Chile	122	93	306	334
China .....	.....	8	1	19
Colombia	1,619	176	6,039	883
Costa Rica	259	106	655	829
Cuba	338	1,212	2,572	4,851
Ecuador	88	9	255	199
Egypt	9	.....	91	57
Guatemala	752	48	2,495	501
Haiti	693	41	990	146
Honduras	92	13	421	71
Mexico	957	632	6,944	6,426
Netherlands West Indies	16	31	508	599
Panama	1	36	1	54
Paraguay	26	.....	95	414
Peru	21	426	61	555
Portugal	110	23	636	166
Salvador	719	49	1,999	573
San Domingo	305	.....	2,113	5
Spain	195	76	1,398	264
Sweden .....	.....	.....	24	2
Switzerland	660	460	2,698	1,614
Puerto Rico	12	.....	25	1
Uruguay	55	8	172	304
Venezuela	834	305	4,813	3,878

Imports by Principal Commodities

Total imports	152,478	146,762	864,529	839,684
Agricultural products	22,748	17,472	113,824	84,665
Fruits	6,493	3,798	28,167	19,714
Nuts	1,369	203	7,207	1,025
Vegetables	2,016	2,089	11,902	9,035
Grains and products	837	820	6,459	5,282
Oils, vegetable	671	1,697	5,713	6,955
Cocoa and chocolate	347	1,065	2,588	1,700
Coffee and chicory	3,360	494	8,786	2,914
Spices	106	78	457	567
Tea	789	1,147	8,075	6,988
Alcoholic beverages	374	369	2,456	1,938
Gums and resins	448	207	2,026	1,458
Seeds	63	49	1,110	1,306
Tobacco	165	91	784	511
Animal products	2,971	3,127	18,728	19,093
Fishery products	354	303	1,431	1,031
Furs (chiefly raw)	544	459	5,668	4,406
Hides, raw	421	609	2,494	3,755
Leather, unmanufactured	275	270	1,506	1,643
Leather, manufactured	219	307	1,329	1,763
Meats	32	104	987	1,504
Fibres and textiles (total)	16,908	14,198	95,982	100,872
Cotton	8,155	6,494	44,827	45,677
Raw, and linters	3,365	2,357	19,358	16,211
Yarn	651	832	4,132	5,200
Fabrics	3,558	2,959	18,607	21,758
Flax, hemp and jute	1,447	1,755	9,627	7,627
Fabrics, flax and hemp	86	208	745	1,048
Fabrics, of jute	1,065	1,054	6,204	4,232
Silk	118	96	778	737
Fabrics	112	92	750	700
Wool	3,587	2,988	19,908	29,666
Raw wool	1,581	1,282	6,247	14,932
Noils and tops	408	394	3,416	4,589
Yarn	350	212	1,703	1,923
Worsted and serges	562	619	4,063	4,361

Imports by Principal Commodities—Con.

	Month of June		Six Months ended June	
	1944	1943	1944	1943
	Thousands of		Dollars	
Wood and paper	3,341	3,417	20,964	20,195
Wood, unmanufactured	423	489	3,122	3,021
Planks and boards	247	265	1,300	1,521
Wood, manufactured	562	494	3,324	2,971
Paper	976	911	5,806	5,247
Books and printed matter	1,379	1,523	8,711	8,956
Iron and products	33,216	44,300	216,329	192,309
Pigs, ingots, blooms and billets	185	1,460	811	8,450
Castings and forgings	508	1,080	3,726	4,146
Rolling-mill products	3,701	6,311	23,173	33,456
Pipes and tubes	428	768	2,656	3,778
Engines and boilers	3,808	4,197	26,713	17,054
Farm implements	3,868	1,602	18,253	7,768
Hardware and cutlery	357	362	2,157	1,965
Machinery (except agricultural)	6,934	13,115	44,533	55,548
Stamped and coated products	115	193	806	927
Tools	676	1,178	4,853	5,223
Vehicles	7,482	7,700	52,403	27,911
Non-ferrous metals	10,088	10,618	57,285	48,961
Precious metals	97	94	638	468
Clocks and watches	677	483	2,764	1,787
Electrical apparatus	5,465	4,667	31,837	19,221
Non-metallic minerals	24,618	21,218	124,417	109,374
Clay products	1,062	1,105	6,262	6,623
Coal	9,587	7,482	52,159	41,350
Coke	874	1,174	4,633	5,216
Glass and glassware	1,001	894	6,630	5,329
Petroleum products	9,759	8,073	43,930	39,994
Stone and products	1,082	1,234	4,883	4,792
Chemicals	7,519	6,359	41,904	34,388
Acids	255	356	1,534	2,308
Cellulose products	436	431	2,453	2,329
Drugs and medicines	596	722	3,777	3,576
Dyeing and tanning materials	637	704	3,537	3,792
Fertilizers	228	207	2,284	1,671
Paints and varnishes	598	541	3,797	3,148
Inorganic chemicals	1,044	1,199	6,266	5,932
Soda and compounds	371	528	2,631	2,333
*Miscellaneous commodities	31,069	26,053	175,096	229,827
Amusement and sporting goods	113	95	936	430
Personal and household equipment	417	323	2,384	2,076
Refrigerators and parts	9	22	61	72
Musical instruments	37	32	236	273
Scientific equipment	749	913	4,360	4,461
Vehicles, n.o.p. (except iron)	5,444	5,392	33,432	22,650

* Includes certain military stores.

CONTROL OF EXPORTS FROM CANADA**REGULATIONS AMENDED**

By Export Permit Branch Order No. 96, *effective on and after August 1, 1944*, Regulation 40 (b) of the Export Permit Regulations (*see seventh revision, May 1, 1944*) is amended to read as follows:

40 (b) Applications for permit to export to the Netherlands West Indies or Dutch Guiana must be accompanied by an Import Licence

from the authorities in the country of import. This licence must, in addition, be certified by the Netherlands Purchasing Commission, 41 East 42nd Street, New York City, N.Y., as valid only for the purchase of goods in Canada. Should the exporter not be in possession of an Import Licence, he is advised to communicate with the Netherlands Purchasing Commission.

SOUTHERN RHODESIAN REPRESENTATIVE

The address of the Southern Rhodesian Representative, appearing on page 18 of the Export Permit Regulations, is changed to the following: Mr. B. F. Wright, Southern Rhodesian Representative, 907-15th Street, N.W., Washington, D.C., U.S.A.

PERMIT APPLICATIONS FOR RAYON DRESSES

The Export Permit Branch, Department of Trade and Commerce, Ottawa, is now prepared to consider applications from Canadian exporters for export permits covering shipments of limited quantities of rayon dresses to the following countries:

Australia, Fiji, New Zealand.

Bermuda, Barbados, British Guiana, Jamaica, Trinidad and Tobago; other British West Indies, including Bahamas, British Honduras, Dominica, Grenada, Leeward Islands, St. Lucia, St. Vincent; French West Indies, Netherlands West Indies.

Newfoundland, St. Pierre and Miquelon.

British India, Union of South Africa, British East Africa, Southern Rhodesia, Belgian Congo, Portuguese Africa, Egypt.

Colombia, Costa Rica, Ecuador, Guatemala, Nicaragua, Panama, Peru, Venezuela.

SUBSIDY REFUND PAYMENTS

The following circular letter on the subject of subsidy refund payments was recently sent out to exporters by the Chief, Export Permit Branch:

A procedure is hereby established in connection with orders of the Commodity Prices Stabilization Corporation, regarding refund of subsidy payments on the basis of a percentage of the invoice value.

In such cases where the amount of repayment is included in the over-all invoice price, the Commodity Prices Stabilization Corporation has approved of the following procedure and under-noted method of computing the amount of returned subsidy forwarded to the Export Permit Branch by cheque, in favour of the Corporation, together with application for an export permit.

1. Applicants for export permits should indicate thereon the value of the goods, exclusive of the refund payment.

2. A further entry should be made on the export permit application form showing the amount of subsidy refund being made.

Example: 100 dozen shirts at	
\$10.00	\$1,000.00
Subsidy Refund, 10 per cent.	100.00
	<hr/> \$1,100.00

3. The Export Entry or B-13 Form and customer's invoice should, however, show only one entry, namely,

100 dozen shirts at \$11.00.. \$1,100.00

4. The above procedure will apply only to applications received by the Export Permit Branch on and after August 1, 1944.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Bolivia

Mr. M. J. Vechsler, Canadian Commercial Attaché at Santiago, Chile, writes under date July 17, 1944, that the Bolivian authorities have announced recently the institution of exchange restrictions in connection with various importations into that country.

With a view to affording protection to national industry, no exchange will be authorized for the importation of footwear, paper bags and envelopes, cardboard and cardboard manufactures, letter files, laundry and toilet soaps. Furthermore, in order to assist the national printing and publishing industry, foreign exchange is not to be granted to cover importations of ad-

vertising matter or the printing abroad of books and other pamphlets, when these can be produced in Bolivia.

Foreign exchange being made available for payment for imports of other products in the restricted list will be limited to the following amounts: Cigarettes and pipe tobacco, U.S.\$1,000; wines and liquors, U.S.\$1,600; prepared foods (except salmon, sardines and milk products), U.S.\$6,000; other restricted goods, U.S.\$30,000.

The announcement adds that commercial banks cannot grant foreign exchange to cover the value of goods that have been imported into the country, that may be en route, or for which credits may have been opened. The granting of such foreign exchange is

being centralized in the Central Bank of Bolivia and the Agricultural Bank.

**Cuba, Haiti, Dominican Republic,
Puerto Rico and U.S. Virgin
Islands**

Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, writes that

there continue to be no official exchange restrictions in force in any of the above-mentioned countries likely to affect the collection of drafts drawn on importers therein by Canadian exporters. Firms in these territories are able to obtain without difficulty any foreign exchange required to pay for their Canadian purchases.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 31, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, July 31, 1944, and for the week ending Monday, July 24, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 24	Nominal Quotations in Montreal Week ending July 31	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2744	.2725	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official*	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6066	.6077	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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British India

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Peru

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South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1 (Territory includes the South of England and East Anglia). *Cable address, Sleighing London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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ECONOMIC CONDITIONS IN SOUTH AFRICA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Business conditions in South Africa continue with little change. Industry and commerce are active except where impeded by lack of supplies. There has been a somewhat quieter trend in retail trading but that is not expected to last and seasonal purchases of winter goods have been evident.

ing the same period of last year. The change is attributed to current shortages of stock and, even more notably, to an increasing degree of discrimination displayed by the shopping public in selecting their purchases and in watching values.

Commerce

The Standard Bank of South Africa, Ltd. reports that its index of trade registered a decline during April, this being the first check experienced for some months and the first substantial decline for a considerably longer period. The bank cautions that too great importance should not be attached to this reversal as the index is predominantly influenced by monetary factors such as bank clearings and bank note circulation. Nevertheless factual reports support the view that general business was somewhat less brisk during recent months than dur-

Employment

The Government Bulletin of Statistics indicates that the general index of employment (basis July, 1925=1,000) had risen to 1,700 in 1939 but found its peak in 1942 with a monthly average of 1,936 and a February, 1942, high of 1,974. Since 1942 the trend has changed and the average for 1943 was 1,827 with a September low of 1,805. The first month of 1944 showed a further decline to 1,796.

The standard Bank of South Africa Ltd. comments that, although these figures indicate quite substantial slackening in industrial activity, it should not be overlooked that for some

considerable time many factories have been handicapped by scarcity of materials and by a shortage of labour. The demand for factory products has been constant and is still keen as evidenced by the sharp rise of the February figure of general employment to 1,833.

Agriculture

The weather in the Union has been unseasonable. Rainfall has been scanty in some parts, particularly in the Orange Free State, and, with grazing thus made less adequate, the condition of live stock has been disturbed. Blowfly has also been prevalent.

New measures for the control of the meat industry, aimed at a more equitable distribution of meat and the prevention of undue price fluctuations, were announced a few weeks ago by the Department of Agriculture and are now in effect. Producers' returns have been fixed for graded meat sold in the principal municipal areas and, in spite of rather extended adverse criticism, reports indicate that the plan is working reasonably well.

CORN CROP

Corn, the principal grain product, will probably not give as good yield as in 1943. Marketing regulations for the corn season have been issued and the Government has increased the price paid to corn farmers by 1s. 6d. per bag of 200 pounds to 17s. 6d. per bag for the best grade, with a supplementary payment of 6d. per bag to producers of 500 bags or less.

SUBSIDY ON CITRUS CROP

On June 12 the Minister of Agriculture announced that a subsidy will be paid on the 1943 citrus crop on the basis of 9d. per case of oranges and 5½d. per case on grapefruit for crops under 25,000 cases without the necessity for proving production costs. The larger producers will be paid a subsidy according to the extent of production but will be required to prove

that production costs exceed 2s. 8d. a case. Before the war 80 per cent of the crop was exported; but in 1942-43 only 22 per cent was exported, while the crop increased from 12,100,000 pockets (a gunny sack about the size of a 49-pound flour bag) in 1937 to 15,600,000 pockets in 1943. More than half the crop is produced by 23 growers; on the other hand 749 growers, or over 79 per cent of the total, produced slightly over 20 per cent of the crop.

RETURN TO FARMERS

The past season brought greater prosperity to farmers, many of whom are availing themselves of the opportunity to consolidate their financial positions by liquidating or reducing their debts. Nevertheless the farming situation as a whole is not satisfactory from the point of view of the consumer because of the high prices prevailing for many products and, from the point of view of the producer in the returns received.

Mining

The economy of South Africa as a whole depends on gold mining. The announcement of the projected closing of two or three of the older gold mines, in which cost of production has been so high as to make operations unprofitable, therefore came as something of a shock to the country as a whole and particularly to the towns concerned.

During April the Government announced that the United Kingdom authorities had agreed to give the Union of South Africa facilities to share in the sale of gold on the Indian market to the extent that this is justified by the Union's import requirements from India. It is officially stated that imports from India in 1943 amounted to about £8,000,000 as compared with £3,491,000 in 1940.

Banking

Deposits held in the Union by the commercial banks during April rose by

£4,600,000 to £238,800,000 and advances by £700,000 to £41,500,000, the highest since July, 1942. The margin of the South African Reserve Bank's gold holdings over statutory requirements, allowing for the market price of gold, was slightly higher. The Bank's holding of foreign bills fell by about £700,000, while liability in respect of bankers' balances rose by slightly over £1,000,000. In reporting these facts the Standard Bank of South Africa, Ltd. advises that these movements and an allowance for seasonal fluctuations resulted in a rise of 13 points, in their index of available credit, to 740.

Manufacturing

In the Johannesburg area engineering shops and furniture factories continue well employed. New government contracts are reported to have been placed for army boots, mainly with factories manufacturing the better class of footwear, and the consequence is that these factories are less able to make supplies available to the civilian population. However, the cheaper grades of civilian footwear are in adequate supply. Incidentally, stocks of imported upper leather are reported sufficient for current requirements but there is a scarcity of sole leather.

The clothing industry output is reported below normal because of shortages of material and labour but, by conserving supplies and reducing the number of machines in use, most factories remain quite well employed. The first fine cotton spinning and weaving factory to be established in South Africa has commenced operations at the neighbouring town of Benoni, using raw cotton obtained mainly from the Belgian Congo. Plans for development of this industry during the next few years are extensive.

In the Cape Town area footwear factories continue fully employed on government and essential civilian requirements. The clothing industry is busy and, in some cases, the raw material stock position has been eased

slightly by the arrival of supplies from North America and the United Kingdom. Furniture factories are very busy but are encountering increasing difficulty in importing suitable lumber. The printing trade continues good following increasing demand for South African manufactured stationery, etc., resulting from the scarcity of imported goods.

At Port Elizabeth footwear factories are also busy on military and civilian orders. The automobile trade is, of course, very dull. The furniture industry reports that the demand far exceeds the output. There is continued pressure for supplies of building materials.

Protection of Industry

On June 5 the Minister of Economic Development made a statement in the House of Assembly regarding South African industry in which he intimated that the Government of South Africa is determined that there shall be industrial development in the Union and that it shall not be hampered by competition from outside the Union. He further indicated that existing industries as well as new ones would be protected.

Continuing, the Minister spoke on the future position of export from South Africa to Central African territories and in this connection reminded the House that the Government had appointed a trade commissioner in the Belgian Congo and had set up consular offices in the Congo as well as in Madagascar. He expressed regret that pressure of other work had prevented the House from considering his projected bill for the establishment of a bureau of standards. He mentioned also the investigation at present being conducted by the Board of Trade and Industries into the whole of South African industry which would serve as a basis of government industrial policy. He also referred to the establishment of a national research organization which would give industrial research a national basis and assist in dealing

with questions such as the relaxing of taxation. It is proposed that private research should be linked up with the central body, thus encouraging private research and possibly giving financial assistance.

Commenting on the statement by the Minister, the *Star* of Johannesburg, in an editorial in the issue of June 6, expressed the view that the statement was general rather than particular and comprehensive enough not to provoke sectional fears that, in the pursuit of post-war industrial development, the established foundations of industry would be seriously disturbed. The *Star* suggested that the remarks of the Minister revived the old controversy between a free trading and a protection policy which would appear also as and when South Africa is invited to harmonize its post-war planning with the plans of greater united nations. The editorial made inquiry as to the kind of development visualized and the protection to be given and the effect of that protection on the cost of living and concluded by stating that such issues are matters on which it is necessary to particularize before public approval can be asked for any post-war industrial projects.

Legislation

The House of Assembly, in the session recently concluded, considered many matters of importance of which the most outstanding are social measures dealing with demobilization, housing, social insurance, health, etc. The financial fabric of South Africa was strengthened by amendments to the Banking Act, the Reserve Bank Act and the Land Bank Act. The Department of Railways and Harbours brought forward its plans for the expenditure of £30,000,000 on post-war railway development. The Department of Economic Development revised the Board of Trade and Industries Act. The Department of Lands dealt with provincial powers and with land settlement, the latter designed to prevent certain

abuses. The Department of Economic Development also sponsored the passing of the Fishing Industry Development Act.

IMPROVEMENT OF FISHING INDUSTRY

The Fishing Industry Development Act provides for the establishment of a government-controlled corporation intended to improve the fishing industry as a whole, with particular reference to the in-shore fisheries which are worked by independent fishermen whose livelihood is far from satisfactory under present conditions. However, the Act goes further to cover processing and marketing and thereby brought sharp criticism from commerce and from the established large companies engaged in deep-sea fishing.

Commenting on the Act, the Chairman of the largest deep-sea fishing company stated in his annual report that its underlying principle must be counted as an attempt to create a state monopoly of the industry and a precedent for state trade in competition with private enterprise. The bill was amended to suspend for the time being the operation of those features to which great exception had been taken by commerce and industry. The chairman claimed that the profit made by the company from fish caught and distributed in the year 1942 was only slightly over 1s. per 100 pounds and he said: "With regard to the oft-repeated assertion that our seas abound with vast quantities of good quality edible in-shore fish, this is neither supported by the experience of those engaged in the fishing industry nor by any scientific data. In fact, the experience of those engaged in the industry is to the contrary. It is to be hoped, therefore, that the proposed Fisheries Development Corporation will succeed in establishing the facts through research".

Post-war Planning

Mention of post-war planning has been made under the heading of legis-

lation. Probably the outstanding plan is that for demobilization, which has been described as "both the first instalment in social security and a guarantee that a large proportion of the Union's population will be able to adjust themselves to post-war conditions".

HOUSING AND SOCIAL MEASURES

Another aspect of post-war planning is the revision of the arrangement for stimulating national housing on a large scale. The housing scheme envisages the construction of some 500,000 dwellings in the next decade and the other plans aim to ensure a very much needed higher general standard of living. In this connection it is anticipated that the reports of the National Health Services Commission and of the select Committee on Social Security will shortly be available. The report of the Nutrition Council has already been published. It is anticipated that these schemes will radically change the social and economic structure of South Africa.

REHABILITATION OF AGRICULTURE

In addition to such social measures, the Government is co-ordinating post-war plans of the provincial administrations, particular government departments and local authorities into what may prove to be a master plan.

Reference to the reports of particular government departments is best illustrated by mention of the report on the reconstruction of agriculture prepared by the Reconstruction Committee of the Department of Agriculture and Forestry. It is not practicable to review the report which gives a picture of the place of agriculture in the economy of the country, the capacity of agriculture to produce, its severe natural limitations and the depreciation of the natural resources resulting in many cases from poor methods of farming. It is perhaps not too much to say that the report records an alarming state of land deterioration and lays great stress on the necessity for prompt measures to avoid further uneconomic exploitation.

Like the Fisheries Development Act, mentioned elsewhere, this report has brought forth severe criticism from commerce which takes particular exception to the claim in the report that private ownership of mills, creameries, canneries and other food-processing plants has led to waste of resources and exploitation of the public. Commerce also objects to the proposed remedy, that all such industries should be taken over and operated at cost. Regarding distribution, the report states that "the distributive trade would have to fit into this scheme of state control".

Johannesburg, June 23, 1944.

POST-WAR PLANS OF UNITED KINGDOM AUTOMOBILE INDUSTRY

By J. A. LANGLEY, *Canadian Trade Commissioner in London*

The Society of Motor Manufacturers and Traders Ltd., is a trade association comprising practically all United Kingdom manufacturers of automobiles, and its object is to concert policy, to act on behalf of the industry as a whole in matters of common concern, and to promote the interests of the industry in all practicable directions. In a progress report recently issued, the Society described the plans which it is making for the expansion of United

Kingdom export trade in motor cars after the war.

Overseas Organization

The report recalls the development of the Society's overseas organization during the past 17 years, particularly as it has been of an exceptional character by comparison with the arrangements of other major United Kingdom industries and of the exporting industries of other countries in regard to the

development of overseas trade. The policy of supplementing the work of members' factory representatives by the opening by the Society of overseas offices under the charge of full-time representatives was first put into effect in 1927 when an Australian representative was appointed. This was followed by the appointment of representatives in South Africa, New Zealand and India (including Burma and Ceylon).

The Society claims that the establishment of an overseas office has led in every case to its becoming a centre of United Kingdom motor interests in each territory. Each representative works in close touch with the manufacturers' resident representatives and branch managers, who are formed whenever possible into an executive committee.

Formulation of Policies

Many local problems affecting the industry generally, or particular sections of it, are thus handled expeditiously on a collaborative basis. United Kingdom trade commissioners are regularly consulted, particularly with regard to negotiations with government departments, representations to tariff boards, and similar activities.

The policies to be implemented are formulated by the British Manufacturers' Committee; and advice on all overseas matters is obtained from ex-

port committees which are widely representative of manufacturers interested in the export trade.

It is customary for the Society's overseas representatives to return to Great Britain at intervals for consultation with the appropriate committees and with individual members, to refresh their knowledge of the industry's activities and developments, and to observe at first hand the various problems of production and export marketing.

New Offices

The Society announce that it proposes to open a new office at Cairo to cover Middle Eastern markets. This decision has been made because the Middle East is a valuable potential market after the war. Consideration is also being given to the extension of similar activities to Latin America. The operations of the overseas offices of the Society have naturally been somewhat dislocated during the war, but it is hoped that they will be fully re-established in the near future in readiness for post-war trade developments.

Canadian manufacturers and exporters generally may be interested in the foregoing scheme for overseas trade promotion, particularly as the technique is novel and represents a joint effort by otherwise competing interests.

UNITED STATES NEWSPRINT SITUATION

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

For the first six months of 1944 the newsprint paper industry in the United States reported declines in production, mill shipments, stocks and consumption of newsprint from the corresponding period of 1943. However, North American production was slightly above that of a year ago and was accompanied by a small decrease in mill shipments and stocks from the previous year.

Present indications are that the United States production plus imports of newsprint will just about meet consumption in the last half of 1944, but

this will depend to a great extent on whether or not Canada will be able to supply this country in the last quarter of this year at the rate of 200,000 tons per month.

In order to standardize production of newsprint paper in North America it has been recommended that the use of 30-pound newsprint paper by United States publishers be eliminated.

Production

According to a recent report of the News Print Service Bureau, production of newsprint paper in North America

for the first six months of 1944 is estimated at 1,959,402 tons, an increase of 10,158 tons over the corresponding 1943 figure of 1,949,244 tons. Canada supplied 1,480,439 tons or 75.5 per cent of the total, the United States 352,058 tons or 17.9 per cent, and Newfoundland, 126,905 tons or 6.6 per cent.

The Canadian output of 1,480,439 tons is 2.5 per cent over the figure of 1,443,670 tons in the first half of 1943. On the other hand, United States production of 352,058 tons is 14.6 per cent below the 1943 six months' output of 412,489 tons. The output of Newfoundland amounted to 126,905 tons and was 36.3 per cent greater than the figure of 93,085 tons for the corresponding period of 1943.

Stocks

Shipments of newsprint paper from the United States mills in the first half of 1944 amounted to 355,676 tons as against 411,112 tons in the corresponding period of 1943. During the same period shipments from Canadian mills amounted to 1,469,808 tons as compared with 1,456,426 tons in the first six months of 1943.

The combined United States and Canadian mills shipments amounted to 1,825,484 tons as against 1,867,538 tons in the like period of the previous year, a decrease of 42,054 tons. The combined production was 7,013 tons in excess of combined shipments, which was the reverse of a year ago when shipments exceeded production by 11,380 tons.

Mill stocks at the close of June, 1944, totalled 83,402 tons, of which 76,028 tons were at Canadian mills and 7,374 tons at those in the United States. The comparable 1943 mill stocks totalled 90,208 tons, of which 79,230 tons were in Canada and 10,978 tons were in the United States. During the year there was a reduction of 6,806 tons in the combined United States and Canadian mill stocks.

According to the American Newspaper Publishers Association, stocks

of newsprint held by the publishers on June 30, 1944, totalled 346,458 tons, a 54 days' supply, and were 15.4 per cent below the 409,547 tons, or 54 days' supply at the close of June, 1943.

Exports

United States exports of newsprint paper for the January-June period of 1944 are placed at 7,069 tons as compared with 7,820 tons for the like period of 1943. Exports from Canada are estimated at 1,376,721 tons as against 1,360,992 tons in the 1943 period. Of these amounts 1,179,248 tons were shipped to the United States in the 1944 period and 1,247,928 tons in the 1943 period.

Consumption

Consumption of newsprint paper by the publishers reporting to the A.N.P.A. for the first half of 1944 totalled 1,168,525 tons, or 223,456 tons less than the 1,391,981 tons consumed in the first half of 1943. Allowing an estimated 25 per cent for consumption by other paper consumers, it is estimated that total consumption of newsprint in the United States was 1,558,033 tons, or 297,941 tons less than that for the first six months of 1943.

Outlook

The quantity of newsprint paper that will be available to newspapers and other consumers in the latter part of 1944 will depend upon military demands, the pulpwood situation and the over-all supply of newsprint in the fourth quarter.

At a recent meeting of the Newspaper Industry Advisory Committee to the War Production Board, it was estimated that the total supply for United States consumption in the last half of 1944 would be about 273,000 tons per month, of which 200,000 tons would come from Canada and the balance from United States and Newfoundland mills. If there is no decline in Canadian pulpwood deliveries, available supplies of newsprint in the

third and fourth quarters should amount to 1,638,000 tons. Consumption of newsprint in the third quarter is placed at 655,536 tons and in the fourth quarter at 781,166 tons.

If allowances are made of 15,000 tons for appeals from publishers and 176,000 tons for other uses, total consumption in the last half of 1944, it is estimated, will be 1,627,702 tons. This would leave a balance of 10,298 tons. However, inventory adjustments may require approximately 19,000 tons and on the basis of present requirements this would result in an over-all shortage of 8,702 tons.

Although Canada can be expected to deliver 200,000 tons of newsprint per month in the third quarter of this year,

the supply might be reduced in the fourth quarter as drought conditions have hindered the delivery of pulpwood to the mills.

The War Production Board has announced that the Newspaper Publishers Industry Advisory Committee have adopted the recommendations of a special committee that the Printing and Publishing Division of the War Production Board eliminate the use of experimental 30-pound newsprint by all United States newspaper publishers. Through the elimination of the use of 30-pound newsprint it is hoped to standardize production in order to assure maximum output of newsprint in North America.

New York, July 31, 1944.

NEWSPRINT MARKET IN IRELAND

By E. L. McCOLL, *Canadian Trade Commissioner in Dublin*

The outbreak of hostilities and the precarious shipping situation as it affected this country occasioned the drastic rationing of the limited stocks of newsprint on hand. The local daily papers were therefore immediately restricted to a small proportion of their original size.

Market Conditions

Owing to transportation restrictions, there is now no steady or regularized monthly quota of imports from any country. The estimated minimum tonnage necessary to meet the requirements of the local press at the current rate of permitted consumption is about 500 tons per month. Approximately two-thirds of recent requirements were imported from Canada, the remainder being obtained from Sweden.

The Government Department of Industry and Commerce authorizes and supervises the imports and distribution of all newsprint. At present the only handicap to supplies reaching bona fide newspaper publishers is the lack of shipping. All cargo space on the Irish boats plying between Ireland and Can-

ada is allocated by that Department, on whose priority list wheat holds first place.

Consumption

Since no newsprint is produced in this Island, users have to depend entirely upon imports. Fully 70 per cent of this paper is consumed by the morning and evening dailies, the remainder being used by the provincial weeklies, periodicals, and book publishing companies. The firms engaged in the printing business in Ireland are all in good financial standing.

There is not at present any direct importation of newsprint from either Newfoundland or the United States, but in the pre-war period substantial quantities—approximately 10,000 tons per annum—were obtained from the former country, being purchased through London agents. The country's total stock at present is estimated to be sufficient for six months' requirements, but cannot be expected to last beyond the end of this year, assuming that the present rate of permitted consumption (which is approximately 25 per cent of normal) is allowed.

Post-war Prospects

Before the outbreak of war substantial newsprint tonnage was obtained from Finland, Sweden, Norway, and Germany, the United Kingdom, and Newfoundland, but it is estimated that Canada supplied over 50 per cent of the total.

It is expected, however, that these other countries will make strenuous efforts to regain their positions as suppliers or at least re-establish their connections through their former agents as soon as possible after the termination of hostilities. In view of Newfoundland's present position, so far as the production of newsprint is concerned, it is considered probable that that country will again be a strong competitor when shipping conditions return to normal. Sweden may also prove to be a strong contender, followed possibly by Finland, unless her entire production is absorbed by the Russian market. Separate figures of the total purchases from Newfoundland are not available since they are included in those for Great Britain.

There is a general impression among Irish publishers that in the post-war period it will be more advantageous for them to purchase their supplies from European countries, since Canadian prices are based on the United States dollar. Apart from price and exchange differentials, there will be other questions of major importance arising from the control of shipping and freight rates. Should post-war shipments con-

tinue to be made in Irish vessels or should former services not be resumed or permitted, or should the Clondalkin mills decide to manufacture newsprint from imported pulp (which would automatically call for a protective tariff on newsprint), these developments would inevitably have an adverse effect on Canada's position in this market.

The fact that Canada has supplied Ireland during the war with a large proportion of its newsprint requirements has served to bring to the attention of consumers of newsprint the high quality of the Canadian product as compared with that from other countries. Canada should benefit from this during the post-war period, particularly since some newspapers are having their first experience with Canadian quality. The proprietor of one daily publication stated that, although prior to the war he had not used Canadian newsprint, he would continue now to purchase it, not only because of its superior quality, but because he felt that the Canadian authorities had gone to considerable inconvenience in order to ensure that this country's newspapers were supplied with sufficient stock to permit of their continued operation at least.

Imports

Imports of newsprint into Ireland by various countries of supply for the three years ending 1938, which are the latest figures available for publication owing to wartime restrictions, are as follows:

Irish Imports of Newsprint

	Quantity			Value		
	1936 Cwt.	1937 Cwt.	1938 Cwt.	1936 £	1937 £	1938 £
United Kingdom	17,248	28,993	21,235	10,185	22,808	14,506
Northern Ireland	95	62	.....	70	41	.....
Finland	141,782	120,022	126,491	56,621	52,143	70,295
Germany	17,919	24,412	16,326	6,817	10,937	8,727
Norway	7,161	14,811	9,153	2,945	9,596	6,441
Sweden	54,511	56,281	52,760	22,306	25,678	26,663
Canada	229,029	268,980	317,690	92,379	114,663	137,257
Other countries	252	247	.....	127	191	.....
Total	467,997	513,808	543,655	£191,450	£236,057	£263,889

EXTERNAL TRADE OF NEW ZEALAND IN 1943

II

Import Control

The operation of licensing regulations during 1943, the seventh import licensing period, differed little from that of the previous period, except that a greater number of items were required to be purchased through the agency of the New Zealand Ministry of Supply. This was necessary in order to conform to the requirements of the countries of supply, particularly the United States, in planning their export programs. The result was an increase in bulk purchasing on orders collected from each importing house and in the apportionment of the goods on arrival.

Orders for such critical materials and goods as steel, artificers' tools, wire, and non-ferrous metals were bulked and distributed by the Government through the efforts of several groups of importers and agents particularly concerned. While Consolidated Imports Ltd., Steel Distributors Ltd., etc., typical of the organizations referred to, are still in operation, the need for one or two of them is not as pressing now as last year. In fact Consolidated Importers Ltd. will drop several English and Australian items during the eighth licensing period.

Another sign of the loosening of control by the Ministry of Supply of the procurement of supplies from abroad is that orders for most radio parts and several categories of textiles may now be placed direct with the manufacturers by the importer. It is expected that further items will be dropped from the Ministry of Supply's purchasing lists as export programs abroad become less exacting.

This does not mean any relaxation of New Zealand's import control. The need for conservation of exchange, particularly United States and Canadian, is still great. The exchange situation is being affected by the falling-off in returns from primary production.

Trade with Canada

New Zealand's interest in Canadian goods and materials remains high, and purchases from the Dominion during 1943 of raw materials and essential manufactured goods, apart from munitions and armament, show a satisfactory increase. New Zealand manufacturers and importers have been obliged to look elsewhere for several products that they obtained from Canada prior to the outbreak of war, but it is noteworthy that the New Zealand authorities have approved the resumption of imports, to the extent possible under existing conditions of industry and import policy, of most lines that Canada can supply (some becoming available very recently) and in which she enjoyed a good trade before the outbreak of war.

IMPORTS

Among the items referred to are paper, linseed oil, shelf and heavy hardware, tools, agricultural implements and machinery, electrical apparatus, rubber belting, surgeons' gloves, timber, apparel, textile piece-goods, trucks and chassis—most of which showed appreciable increases in import values as compared with those for 1942, the year in which imports from Canada into New Zealand were the lowest during the war years.

EXPORTS

New Zealand's exports to Canada improved in value over those for 1942 through larger shipments of wool, tallow, sheepskins, rabbitskins, and sausage casings. The movement of meat, woolly sheepskins and slipe wool was on a smaller scale.

DETAILS OF TRADE

Details of New Zealand's most important imports from and exports to Canada during the calendar years 1943 and 1942 are shown in Tables 5 and 6:

TABLE 5

New Zealand Imports from Canada

	1943	1942
Spirits, all kinds	£ 9,176	£ 709
Hats, caps, millinery, etc.	13,185	10,106
Gumboots	4	10,434
Cotton piece-goods, knitted	4,251	21
Cotton and linen piece-goods, woven	184,221	32,159
Silk and artificial silk piece-goods	178,994	30,269
Cod liver oil	21,876	....
Fish oils	9,736	3,074
Paints and varnishes	7,976	2,379
Asbestos, crude	69,849	....
Brass in bars, rods, etc.	17,557	2,169
Bolts and nuts	8,417	12,971
Chain belting (other than conveyor belting)	3,809	787
Copper plate and sheet	9,175	17,571
Cordage of metal, not being precious metal	1,674	10,094
Electric meters, other kinds	10,544	....
Pins and needles	21,300	12,205
Brass pipes tubes and fittings	2,696	1,639
Copper pipes tubes and fittings	6,848	8,962
Tools, artificers	56,651	50,967
Agricultural machinery	83,164	18,741
Calculating machinery and cash registers	12,242	1,211
Carbons and electrodes for arc lamps	6,612	4,576
Electric motors and parts	39,634	29,435
Other electrical apparatus	104,023	69,602
Wireless apparatus	45,110	55,785
Emery and similar grinding machines	4,249	1,414
Sparking plugs for oil engines	10,775	5,309
Metal working machines	2,936	3,116
Insulators and fittings therefor	15,050	4,605
Other machinery n.e.i.	24,590	12,252
Rubber belts and belting n.e.i.	604	13,364
Hose, tubing and piping of rubber	4,492	7,815
Other rubber manufactures	4,497	2,925
Rough-sawn Douglas fir	52,155	17,542
Rough-sawn timber, other kinds .....	....	26,762
Veneers and plywood	4,717	11,367
Lenses, all kinds, unmounted	11,752	4,449
Cardboard and wallboard	61,102	9,409
Emery and similar paper	14,024	1,912
Paperhangings	38,442	10,757
Newsprint	301,897	40,944
Printing paper other than newsprint	320,947	60,032
Vegetable parchment	56,454	11,695
Wrapping paper	34,737	2,709
Paper for use in manufacture	86,222	33,795
Paper, other kinds, in large sizes	35,030	10,619
Paper, other kinds, in sheets less than 20" by 15" or the equivalent or in rolls less than 10" wide.....	4,985	767
Clocks	4,324	3,242
Acetic acid	6,155	7,836
Antiseptics	11,806	3,992
Calcium carbide	41,641	13,624
Cream of tartar substitutes	72,986	28,570
Medicinal preparations and druggists' sundries	8,254	3,601
Salt	7,142	3,652
Vitamins, vitamin concentrates, etc.	3,121	....
Sulphate of ammonia	22,760	24,624
Undercarriage springs n.e.i.	2,002	857
Articles for the manufacture of goods in New Zealand.....	27,267	3,407
Miscellaneous manufactured and unmanufactured	27,690	19,516

TABLE 6
New Zealand Exports to Canada

	1943	1942
Butter	£	£ 1,053
Beef, frozen	£ 934	16,318
Lamb and mutton, frozen .....	....	17,275
Sausage casings	203,694	177,794
Calf skins	46,502	64,610
Cattle hides	54,140	48,827
Rabbit and hare skins	116,999	62,339
Sheepskins with wool	136,417	218,431
Sheepskins without wool	65,269	9,763
Wool, greasy	3,112,239	2,316,754
Wool, scoured and washed	303,980	281,521
Wool, slipe	268,366	311,055
Tallow	174,799	9,759
Kauri gum	8,264	14,893

POST-WAR PROSPECTS FOR BOLIVIAN TIN

By M. J. VECHSLER, *Canadian Commercial Attaché at Santiago*

At the end of June the Mining Bank of Bolivia issued a report in connection with Bolivian tin prospects in the post-war period. Since the economy of Bolivia is based upon tin, this really means the post-war prospects of Bolivia.

Post-war Demand

The Mining Bank of Bolivia stated as its belief that the position of this principal Bolivian export was firm at present and that it appeared likely to continue so for several years following the conclusion of hostilities. This opinion was based on information recently received from the United States which indicated that the world would face a tin shortage on the conclusion of hostilities and for some time afterwards. It is expected that, following the cessation of the war, some time would have to elapse before the smelters in the Far East could be put into full production, that such production during the first year would be insignificant, and during the second year that only a fraction of what was produced before the war would be available.

It is believed that the United States will continue to require considerable quantities of concentrates but the outstanding question is that of the availability of smelters.

Far East Smelters

During the ten years prior to the outbreak of hostilities in that area, the greater part of the concentrates from the Indies were smelted in the Netherlands, and it does not appear probable to the Mining Bank that the smelters have escaped or will escape destruction. All tin produced in Malay, Thailand and Indo-China is smelted at Singapore and Penang, but the smelters in these countries will possibly also be demolished, all of which would reduce the smelting capacity in the immediate post-war period.

The Mining Bank of Bolivia also mentioned that the *American Metal Market*, when commenting on certain declarations made by the Vice-President of the War Production Board for International Supply, stated that the tin situation following the present war would be the reverse of that of the 1914-1918 situation, when the embargo on stocks continued into 1919, permitting the liquidation of accumulated stocks by the countries at war. In the present situation the various countries will be faced with the task of restoring the mines in the Far East and procuring rapid transport of concentrates to the smelter in Texas. As a consequence, it is felt that considerable time will elapse before the tin industry is

absolutely free and both smelters and consumers of this metal will have to take this fact into account.

Production Costs

Another authoritative source, the *Inter-American Review*, on considering the situation of the tin industry, admits that due to the destruction of the equipment in the Far East, Bolivia will have a market for its maximum production for a period of at least five years after the restoration of peace. However, it adds that the Bolivian situation in the world tin industry will

depend upon its capacity to reduce its costs of production, for it cannot be thought that it will continue to receive 60 cents when supplies from the Far East are renewed. During the six years' period between 1934 and 1939, a period during which the international tin control operated, the average quotation in New York was 50 cents and that in London £220 per ton. From this it infers that possibly Bolivian producers will take these figures into account in their post-war calculations.

Santiago, July 14, 1944.

RAW MATERIAL TRENDS

From The Times Trade and Engineering

The supply position for raw materials continues to improve. With few exceptions wartime expansion schemes have virtually reached their limit. In some instances, including aluminium, magnesium, mercury, and certain steel-alloying elements, production is now being systematically curtailed. On the whole, however, demand is still very heavy.

At the moment three major developments tend to determine the trend of raw material supplies—namely, the labour shortage, the adjustments in the use of materials, and the necessity of securing adequate stocks. All three factors favour the maintenance of production at a high rate.

Labour shortage not only prevents a freer distribution of surplus materials to manufacturers for the civilian market, but has also induced the Government of the United States—where the mine-labour shortage is causing

concern—to keep its purchases of foreign minerals at the highest possible rate. Recent adjustments in the use of materials—i.e., the gradual abandonment of the policy of using substitute materials introduced during the period of the great raw material shortage of 1942-43—are due in part to considerations of labour economy, although the desire for the best technical results has been not less decisive.

Stocks of raw materials, though rising, have so far reached an excessive rate only in individual instances. The need to create larger reserves as an insurance against unexpected wartime developments and to meet the heavy end-war demand is thus still pronounced. Although it appears that the production of raw material as a whole has passed its wartime peak, this year's output is likely to remain at a very high level.

AIR MAIL RATE TO BERMUDA

Canadian exporters are reminded that the rate of postage on air mail letters originating in Canada addressed to Bermuda is 15 cents per quarter ounce or fraction thereof. Complaints

are being received from addressees who are being called upon to pay postage surcharges due to insufficient prepayment in Canada of such air mail.

MODELS OF NEW APPLIANCES NOW PERMITTED

Order in Council P.C. 6785 of November 20, 1940, requiring a permit from the Machine Tool Controller to manufacture or assemble a new model, has been revoked in order to clear the way for experimental work in the development of post-war models of house appliances, automobiles, radios, and other fabricated articles.

The manufacture of new models has been subject to permit control to conserve machine tools. The rescinding of the control order removes the direct control affecting the making or assem-

bling of new models, but the manufacturer must still comply with regulations restricting the use of steel, non-ferrous metals and other scarce materials.

In announcing the terms of the rescinding order, the Minister of Munitions and Supply said that, with the equipping of war plants virtually completed, machine tools no longer are so scarce and other controls are adequate to regulate any use of scarce materials.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

EXPORTS OF MEAT

During the first five months of 1944 Argentina exported meats to the value of \$88 million to the United Kingdom, \$18 million to the United States and \$18 million to other countries, making a gross value of \$124 million. The value of all exports for the period was \$322 million, meat exports thus representing nearly 40 per cent.

TRADE TREATY WITH SPAIN

Under a new commercial agreement between Argentina and Spain, recently signed, Argentina agrees to sell to Spain 1,000,000 tons of wheat, 10,000 tons of cotton, and 500 tons of tobacco; while Spain will supply Argentina with 30,000 tons of iron and steel per annum, in addition to 30,000 tons stipulated in the 1942 agreement.

Australia

FURTHER RELAXATION IN NEWSPRINT RATIONING

In a delayed report dated May 29, Mr. K. F. Noble, Acting Trade Commissioner at Sydney, advises that there has been a further relaxation in newsprint rationing for Australian daily, Sunday and weekly newspapers.

From June 1 newspapers will be allowed to consume newsprint equal to their allocation for the quarter ended September 30, 1943, plus 22½ per cent. Consumption for June will be calculated on a pro rata basis, and the increase may be used in any manner consistent with production.

A 5 per cent concession was first made for the period October 1, 1943, to May 31, 1944. From April 1, 1944, this was increased to 12½ per cent and the present increase represents a further 10 per cent. The new quota is approximately one-third of the average quantity consumed before the war.

PROGRESS IN SHIPBUILDING

Substantial progress is being made in Australia in the building of merchant ships, as well as in naval construction, to meet wartime needs. Two 9,300-ton river-class cargo ships, the largest ever built in the Commonwealth, were recently launched in one day, according to press reports. Three river-class ships, built in Australia, have been in commission for some time, these reports say, and eight others are in various stages of construction. A high proportion of Australian material and workmanship have been and are being employed in building these ships.

Plans are being made for the construction of merchant ships of 2,000,

4,000 and 6,000 tons for coastal and island trade. Shipbuilding is being carried on in every State, contracts for wooden ships having been allotted to Western Australia and Tasmania and the other States concentrating upon steel vessels, including corvettes and frigates.

Costa Rica

FOREIGN TRADE IN 1943

Total imports into Costa Rica in 1943 were valued at \$20,386,664 as compared with \$12,287,000 in 1942. The quantity of imports showed a smaller rise, amounting to 128,556,000 kilograms as against 112,826,000 kilograms. The greater increase in value was due to an advance in prices and shipping costs. Principal import items were flour, lard, leather, wrapping paper, cotton drill and jute bags.

Costa Rican exports rose in quantity from 85,902,000 kilograms in 1942 to 90,935,000 kilograms and in value from \$10,577,000 to \$12,431,000. Higher prices for coffee was the principal reason for the increased value.

India

NEW GOVERNMENT DEPARTMENT

The Central Government has recently established a new Department of Planning and Development. The object of this move is apparently to obtain competent and effective analysis of the many existing plans for post-war reconstruction and to facilitate the preparation and execution of plans and measures by the other departments of the Central Government as well as by the provinces and states for the improvement of conditions in agriculture and industry.

Plans for the transition period have already been worked out by various departments of the Central Government, while the provinces and states have also been active in the same direction. The new department will accordingly have considerable useful material ready for its attention. One

of the most encouraging factors is to be found in the forecast by the Finance Member that substantial resources will be available for expenditure on meritorious post-war projects.

PAPER PRODUCTION AND CONSUMPTION

It is expected that there will be a serious decline in the output of the Indian paper industry during the current year, as the result of a shortage of raw material and of coal supplies, states Paul Sykes, Canadian Trade Commissioner at Bombay, in a report dated June 16. The Government, the trade, and leading consumers are preparing for a decline in production of as much as 30 per cent.

Both government services and the public have been strictly rationed as to paper supplies for some time. The respective proportions of locally-made paper allotted by arrangement have been 70 and 30 per cent, and the quantities available on this basis last year were approximately 70,000 and 30,000 tons.

The position with regard to domestic output and the possibility of securing increased supplies from abroad is sufficiently serious to have induced the Government to supplement existing control measures by the issue of the Paper Control (Economy) Order, which has just been made public. This regulation will limit the consumption of paper by printers, publishers, manufacturing stationers, and others to a fixed percentage of previous consumption and the operation of the order will be controlled by submission of monthly returns of stocks and consumption to a Paper Controller. Further economy is to be effected by the prohibition of the use of paper for packing or wrapping after September 30, 1944.

A further new regulation, the Paper Control (Distribution) Order, requires the submission to the Paper Controller of monthly statements showing all stocks held and sales made. The order applies to all firms or individuals holding stocks on June 12 consisting of more than one ton. Instructions may

eventually be issued to mills and dealers as to the channels or destinations through which stocks may be sold.

Uruguay

WOOL SHIPMENTS

Shipments of wool during the period October 1, 1943, to April 30, 1944, the first seven months of the 1943-44 sea-

son, totalled 62,793 bales (of which 56,738 bales were shipped to the United States), as compared with 49,953 bales (of which 47,250 bales went to the United States) in the like period of the 1942-43 season. The local wool market continues dull as a result of the lack of shipping facilities to transport the important stocks of baled wool already sold, mainly to the United States.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 17, effective August 9, 1944, smoked cusk, hake and pollock are included in Group 2 (Animals and Animal Products) and will henceforth require a permit for export from Canada to any destination.

By Export Permit Branch Order No. 98, effective August 10, 1944, turnips are deleted from Group 1 (Agricultural and Vegetable Products) and will not require an export permit for shipment from Canada to any destination.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom—Chile

PROLONGATION OF COMMERCIAL MODUS VIVENDI

A Chilean Decree of July 9, 1944, announces that the United Kingdom and Chilean Governments have agreed to extend to the commerce of the two countries respectively for a further period of twelve months from July 1, 1944, most-favoured-nation treatment as provided in the Anglo-Chilean modus vivendi of October 15, 1931. Exception is made in respect of the favoured treatment accorded to boundary States to facilitate frontier traffic as well as that resulting from a Customs union.

South Africa

TEXTILES BY PARCEL POST

Mr. H. L. Brown, Canadian Trade Commissioner in Johannesburg, writes under date June 22, 1944, that the South African Controller of Textiles has announced that he is prepared to consider applications from South African importers for parcel post per-

mits in respect of certain types of goods, provided the articles are eligible for and were ordinarily shipped by parcel post. In order to ensure that all importers enjoy the same facilities, each importer will be limited to permits totalling not more than a weight of 150 pounds per quarter from Canada, the United States and the United Kingdom.

Trinidad

IMPORT CONTROL OF ADVERTISING MATERIAL MODIFIED

With reference to the notice published in *Commercial Intelligence Journal* No. 2094 (March 18, 1944), page 249, stating that licences will not be granted for the importation of advertising matter even if no funds are required to leave the Colony in payment thereof, Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, cables on August 3 that the Trinidad import regulations have been modified to permit entry of advertising material provided a declaration is given that no funds will leave the Colony.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 7, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 7, 1944, and for the week ending Monday, July 31, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 31	Nominal Quotations in Montreal Week ending August 7	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies . Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2725	.2736	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6077	.6008	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5446	3.5440	1½
	Offer	3.5940	3.5940	—

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**CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT
OF TRADE AND COMMERCE**

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum).

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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ECONOMIC SITUATION IN URUGUAY IN 1943

By J. C. DEPOCAS, *Assistant Commercial Attaché at Buenos Aires*

(Values are in United States dollars; U.S.\$1 equals 1.90 pesos)

The economy of the Republic of Uruguay is greatly influenced by international events. High prices for the products of the live-stock industry (which is the basis of the country's economy), a steady rise in the cost of living, a shortage of and high prices for necessities that have to be imported, excessive profits, a surplus of available funds, and an increase in the gold reserve are the main factors currently affecting the economic situation of the country, and they are all the result of wartime conditions.

Some of these may disappear with the cessation of hostilities but not without leaving their effects. To eradicate them might require many years of labour and sacrifice, especially if Uruguay cannot afford, as happens so often in respect of taxation, to cancel measures that have been established for the duration only.

Foreign Trade

The value of the export trade of Uruguay in 1943 for the first time

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totalled \$100,000,000. While relatively small this figure shows a substantial increase over the previous year's total of \$57,000,000. On a per capita basis the figure for Uruguay, with only two main items of export (meat to the United Kingdom and wool to the United States) and a manufacturing industry still in the development stage, is not much less than for other countries that are in a position to export a number of additional products and have their own merchant fleets. The per capita value of exports from Uruguay in 1943 was \$47 as against \$57 for Argentina.

The value of the import trade, at \$63,000,000, was approximately the same as for 1942. There was a favourable trade balance of \$37,000,000 as against an unfavourable one of \$6,000,000 in 1942.

The high value of the 1943 exports is accounted for by large wool shipments to the United States, which included wool which would have been

SEP 9 1944

delivered in 1942 had adequate shipping facilities been available. Imports remained low, as it was still impossible for Uruguay to obtain from abroad sufficient supplies to meet normal requirements. The substantial favourable trade balance recorded for 1943 is an indication of the dependence

of Uruguay on exports of her two staple products, meat and wool.

No statement showing Uruguay's balance of international payments has been published, but the situation is indicated by the table showing gold reserves as at December 31, 1942, and 1943.

Uruguayan Gold Reserves

	Dec. 31, 1943	Dec. 31, 1942
	Pesos	Pesos
Gold held by State Bank.....	11,573,652	11,573,652
Gold held by State Bank abroad	26,282,499	17,184,931
Sub-total	37,856,151	28,758,583
Gold held by Issue Department	42,710,026	42,710,026
Gold held by Issue Department abroad	16,024,051	....
Sub-total	58,734,077	42,710,026
Total	96,590,228	71,468,609

Public Finance

Internally the situation is not so satisfactory. It has been impossible to balance the budget since 1940, and each year the deficit has increased and has been met by domestic loans.

Budgeted expenditures have been increased from year to year since 1940, while revenues were steadily reduced as customs receipts, the main source of revenue, were each year smaller owing to the reduction in imports. The deficit of \$1,578,960 in 1940 gradually increased to about \$13,158,000 in 1943, the difference between expenditures of \$63,965,745 and receipts of \$50,807,745.

The budget for 1944 provides for expenditures of \$72,052,682, and revenues on the 1943 basis would amount to only \$47,547,749 after deducting \$2,894,760, which accrued in that year from the profits of the Exchange Control but will not be forthcoming in 1944. One-third of the difference of \$24,504,933 will be met by another issue of internal loan and two-thirds by new or higher taxes.

The latter will comprise: an excess profit tax on all profits exceeding 12 per cent of capital; a tax on gasoline; extension of the sales tax to all commercial and industrial transactions; additional taxes on luxuries; taxes on gambling of all sorts; taxes on profits from certain classes of industrial and

commercial transactions; increased taxes on tobacco; increased taxes for education; increased taxes on mortgage loans; and disposal of "dead" bank accounts. It is also proposed to turn over to the Treasury 50 per cent of the profits of the port administration.

PUBLIC DEBT

The total national debt as at the end of December, 1943, amounted to \$278,376,000, an increase during the year of \$18,977,903.

The internal debt at \$206,880,000 was increased by \$20,163,937, and the external debt, which was reduced by \$1,186,035, is now \$71,496,000. The cost of servicing the national debt was \$17,521,546 for the internal and \$5,239,709 for the external debt.

Treasury notes were issued for \$22,777,536 and redeemed for \$20,548,379, leaving a balance in circulation of \$10,787,734 at the end of 1943. Interest costs during the year totalled \$383,346.

Agriculture

Uruguay is essentially an agricultural country. There are no mines, the mineral industry being limited to the extraction of sand, which is exported in considerable quantity to Argentina, and stone. The forests are too small for commercial exploita-

tion, and the fisheries are not of sufficient importance to be a factor in the trade or a source of individual profit.

The manufacturing industries—all practically new with the exception of the packing-houses and textile manufactures—are progressing but are dependent on foreign source of supply for all raw materials except wool. They may need tariff protection in order to survive after the cessation of hostilities.

Uruguay is a pastoral country. The grain-growing industry is more or less contributory to the success of the

live-stock industry and has served its purpose when it has supplied adequate crops for human and animal consumption. Linseed is the only regular export item; wheat may be exported or imported depending on crop production.

GRAIN CROPS

The accompanying tables show the cultivated areas planted to various crops during the last three years, and the estimated production of the different crops in 1943-44 and the comparative figures for the two preceding years.

Crop Areas in Uruguay

	1943-44	1942-43	1941-42
	Acres	Acres	Acres
Wheat	734,161	986,828	1,122,730
Linseed	345,011	337,314	209,578
Oats	258,336	193,694	153,239
Barley	41,197	30,888	34,285
Maize	679,246	436,467	525,471
Sunflower seed	125,134	68,528	143,190
Groundnuts	12,832	17,505	14,263
Rice	14,085	13,734	13,084
Total	2,210,002	2,084,958	2,215,840

Uruguayan Crop Production

	1943-44	1942-43	1941-42
	Bushels	Bushels	Bushels
Wheat	8,744,157	12,386,524	13,666,362
Linseed	3,938,575	1,808,382	1,847,005
Oats	4,096,915	2,529,862	2,309,990
Barley	517,055	387,688	424,991
Maize	7,874,000	1,494,800	4,670,424
	Cwt.	Cwt.	Cwt.
Sunflower seed	1,340,152	670,076	1,013,012
Groundnuts	57,747	78,782	50,314
Rice	340,978	431,310	241,670

There will be a surplus of wheat for export, the situation at present being as follows:

	Bushels
Carryover from 1942-43 crop.....	3,352,084
Estimated crop for 1943-44	8,744,157
Total available	12,096,241
Estimated annual consumption	9,185,000
Seed requirements	1,653,300
Authorized exportation	514,360
To be carried over	743,581

The corn crop is good amounting to about five times that for the previous year, which had been destroyed by drought, and was exceeded only once before, in 1915. Imports, if any, will be small.

Average prices for grain since 1938, in dollars per bushel, have fluctuated as follows:

	Wheat	Corn	Export Linseed	Barley	Oats
1939	0.72	0.48	0.98	0.40	0.31
1940	0.88	0.76	1.07	0.63	0.45
1941	1.07	0.61	1.02	0.59	0.43
1942	1.11	0.76	1.20	0.60	0.48
1943	1.00	0.93	1.42	0.70	0.47

LIVE STOCK

The live-stock industry is passing through a difficult period. The five-month drought (November, 1942, to March, 1943), the longest and most severe in the history of the country, may also prove to be the costliest. It is estimated that 800,000 head died of hunger, pastures were totally destroyed and the surviving animals were left in a poor condition.

The immediate problem was recuperation of the cattle population. A solution would have been easy had Uruguay decided to curtail exports of meat products, but the country could hardly afford another unfavourable trade balance following a year of reduced exports of wool in 1942. Reduced cattle slaughtering would have produced many other difficulties, such as unemployment in the packing-houses and allied trades, and necessitated the importation of considerable quantities of feed. In addition Uruguay was desirous of fulfilling her meat contracts with the other United Nations.

SLAUGHTERINGS

Early in 1943, when it became apparent that the drought had resulted in heavy damage, the ranchers had no other alternative than to sell as many as possible of those animals, underweight because they were underfed, whose return to normalcy was problematic and their maintenance an extra charge and burden in view of a probable scarcity of fodder. Hence there were sales to the packing-houses of a greater number of calves and cows than usual. During the first quarter of 1943 the number of cows slaughtered (303,548) was greater than for the whole of 1942 (297,960), and the number of calves was 217,219 as against 198,514.

SPECIAL ASSISTANCE

The Government, realizing the plight of the ranchers and in order to alleviate their burden with a view to preventing them from over-selling at any price and to help them replenish their

decimated herds, came to their assistance by means of grants, credit, subsidies, tax exemptions, low and lower interest rates, freight rate reductions, loan of machinery for the cultivation of artificial fodder areas, extra allocation of fuel and other concessions.

During the second quarter the number of animals slaughtered was normal as compared with the number recorded for the same period of previous years, steers and bulls exceeding the aggregate of calves and cows, as should be.

The ranchers received a little less per animal than in 1942 but more than in any year before that, and the several government measures amply compensated for the difference.

The crisis is not yet passed, as the slaughterings at the beginning of the year, when the packing-houses are usually most active, are small despite record prices. There is a reported shortage of 1,000,000 head, and in view of this, the consequences of the drought might be more severe in 1944 than in 1943.

Import Shortages

Like other nations, Uruguay experienced difficulties during 1943 in obtaining her requirements from abroad. Since the country is dependent on imports for the majority of these and its merchant fleet is small, the problem of delivery is probably even more acute than for other countries that must import supplies.

There is a current shortage of a number of necessities and of useful articles but the most acute shortage is of liquid fuel, which has dislocated transportation, an essential factor in the Uruguayan economy. Consumption during 1943 had to be reduced by about 50 per cent. This situation may obtain for the duration of the war, as deliveries must be effected regularly, the country having no facilities for building up a large reserve.

There are also shortages of metals, tools, hardware, rubber goods, artificial silk yarns, good-quality cotton piece-goods, and building materials, all of which affect the activities of the retail

and building trades and of certain manufacturing plants, which are sometimes forced to work intermittently.

Manufacturing

On the other hand, industries (woollen products for example) which find their required raw material locally have been obliged to operate 24 hours a day to fill contracts with the United States and South Africa. The woollen industry is perhaps the only one that might survive after the war, with or without protection, especially in the blanket line. While similar success is not so completely assured in the case of leather goods, this industry is progressing, having found a market for its products in Brazil. At present the four more important tanneries are working continuously.

Construction

Conditions in the building trade remained unchanged in 1943 as compared with 1942 but the trade shows much less activity than in 1941. The number of building permits issued in the respective years were 5301, 5283, and 6923 for values of \$7,339,804, \$7,541,788, and \$12,332,596. The majority of the permits were for repairs or re-modelling or for small buildings that did not require the use of any reinforcing steel or any imported materials. The Government carried on with its plan of public works, including public buildings, hospitals, highways, thus avoiding an unemployment problem which would have resulted from the reduction of activities in private building construction.

CHANGE IN NAME OF BERMUDA GOVERNMENT OFFICE AT NEW YORK

The Acting Bermuda Government Representative, 30 Broad Street, New York 4, N.Y., advises that, effective August 7, 1944, the Bermuda office in New York will be known as the New York Office of the Bermuda War-Time Supplies Commission. The office will

be in charge of a manager, Mr. H. Coolidge Adams. The change will be in name only, as the duties performed by the manager will be much the same as those previously performed by the Bermuda Government representative.

CATTLE IN NORTHERN RHODESIA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

General conditions in Northern Rhodesia are not well suited to the breeding of pure-bred cattle nor to the grading-up of cattle.

Animal Health Conditions

Animal health conditions may be summarized in the statement that trypanosomiasis has increased in recent years and has caused numerous losses, tick-borne diseases (heartwater, piroplasmiasis and anaplasmosis) are more frequently reported than in previous years, contagious abortion is endemic, and there are outbreaks of foot-and-mouth disease as in 1942.

Number of Cattle

Official statistics indicate that there were 654,944 cattle of all types in Northern Rhodesia in 1943 as compared with 642,959 in 1942. Of these, 133,594 were owned by white farmers and 521,350 by natives. There are no complete figures showing the composition of the herds by sex and age groups, but such data are available for the Central Province and the Southern Province, wherein are located 120,905, or 90 per cent of the herds owned by white farmers. The composition of that portion of the total shows 1,417 bulls, 48,062 cows, 41,753 oxen, and 29,673 animals under two years. It

should be borne in mind, however, that 30 per cent of the Territory's requirements of cattle in 1943 were imported from neighbouring countries.

Imports of Breeding Stock

White farmers are interested in improving their cattle, especially dairy herds, and there are modest annual importations of breeding stock from South Africa and Southern Rhodesia, which totalled 261 in 1943 and 269 in 1942. The total of 178 from South Africa in 1943 comprised 81 bulls, 80 cows and heifers, and 17 calves and yearlings, while 83 from Southern Rhodesia consisted of 25 bulls and 58 cows and heifers. Animals reared in South Africa and Southern Rhodesia will usually be acclimatized and reasonably resistant to conditions and diseases.

Stock Improvement Scheme

The Government operates the Stock Improvement Scheme to provide financial assistance for stock-owners. The primary factors determining whether or not assistance should be accorded are the methods of management and the condition of the herd of the applicant, preference being given to those stock-farmers likely to make the greatest beneficial use of good stock. The scheme is qualified by the reservation that no grant will be made for the purchase of stock from outside the Protectorate unless suitable animals at a reasonable price are not obtainable in Northern Rhodesia.

Application to Import from Overseas

The Government will contribute to the cost of importing stock from approved countries overseas. For example, in regard to pedigree bulls, it will pay a sum not exceeding half the certified landed cost on the owner's farm in Northern Rhodesia, provided the contribution shall not exceed £75 (about \$330) and the original certified cost of the animal. The importer is required to:

- (a) Submit a certificate from the breed society concerned showing that the bull is considered by the Society to be good value for the money paid,

or, failing such certificate, the animal will be valued on arrival by the Society for the purpose of determining the maximum government contribution payable in respect of the animal.

- (b) Have the animal inoculated for Redwater and Gallsickness prior to shipment.
- (c) Insure the imported animal from the date of purchase and for a period of one year after arrival in the Protectorate for a sufficient sum to cover the expenditure incurred and undertake to refund to the Government the contribution made towards the purchase price if the animal should die prior to arrival or within one year of arrival in the Protectorate.
- (d) Importers of breeding stock are requested to ensure that railage on their animals is prepaid to final destination, in order to facilitate reconsigning at the termination of the quarantine period in the Maramba quarantine area.

Cattle Diseases Regulations

The importation of breeding stock is subject to the Cattle Diseases Regulations of the laws of Northern Rhodesia, which include provision for prior obtaining of an import permit; inspection by a veterinary officer in the country of origin; tuberculin test; quarantine on arrival; expenses of quarantine, testing and, if necessary, destruction; clearance through port of landing and dealing with the regulations in the country of landing.

Breeds

The popular beef breeds in Northern Rhodesia are cross-bred cattle having a foundation of indigenous or Afrikaner blood. The top cross of exotic blood usually consists of the Hereford or Sussex breeds. Some farmers have produced a most successful heavy animal, using the South Devon. The Friesian is most favoured among dairy breeds.

The natives in this country, who make up the great majority, have little or no time for exotic types and prefer the indigenous or Afrikaner breeds.

PAPER-MAKING MATERIALS OF THE BRITISH EMPIRE

Extracts from paper by J. R. Furlong and E. L. Hill of the Plant and Animal Products Department, Imperial Institute, read in March, 1944, before the Royal Society of Arts, as printed in *The World's Paper Trade Review*.

I**World Position of Pulp Production**

The countries of the British Empire contain vast stores of paper-making materials of all kinds, or possess potentialities for their cultivation. The utilization of these materials for commercial purposes is, however, a matter that is governed by several factors, economic and technical. The net result of all those considerations may be summed up in the statement that coniferous woods at the present time are the chief paper-making material of the world.

In fact, about 90 per cent of the paper produced is made from wood, the bulk of which is coniferous, while the amount of hard woods used is only a few per cent. The remaining materials employed are rags, esparto grass, straw, bamboo, sabai grass, old ropes, fibres and waste paper. Any material which is brought under consideration as a major source of paper pulp is measured against the yard-stick of the soft-wood pulp industries.

Technically, coniferous wood is the material par excellence for paper-making on account of the unique suitability of its fibres in length and other properties. It responds to different pulping processes and different methods of treatment in manufacture, yielding products as diverse in character as blottings and greaseproofs, newsprint

and high-class bonds, tissues and krafts. No other material approaches it in these respects.

COUNTRIES WITH CONIFEROUS WOODS

In order to understand the markets of the world in which Empire materials have to compete, it is necessary to glance at the existing position as regards production and consumption.

The key to the position being the coniferous woods, we must look for the countries possessing resources of these woods. These countries have a share of the northern coniferous forest belt. In the Southern Hemisphere there is no coniferous belt to correspond to that in the north.

From this picture emerges the fact that North America, Scandinavia and Russia, with their wealth of conifers, possess a great advantage over other countries. The next point to consider is availability. Russia's forests are, to a large extent, remote from transport facilities, and at present her productive areas are required to supply her own needs. Scandinavia and North America with extensive waterways and abundant cheap water power, however, represent the sources to-day of the bulk of the world's paper and paper products.

The table shows the total production of wood-pulp in various countries.

World Production of Wood-pulp

	1930	1932	1934	1936	1937	1938
	(Thousands of long tons)					
United States	4,134	3,357	3,961	5,103	5,869	5,298
Canada	3,232	2,378	3,247	4,005	4,591	3,275
Sweden	2,409	1,965	2,824	3,105	3,468	3,013
Germany	2,055	1,682	1,979	2,330	2,524	2,504
Finland	1,059	1,243	1,543	1,945	2,097	2,077
Norway	917	886	967	976	1,080	893
Japan (including Korea and Sakhalin)	636	564	705	773	824	(a)
U.S.S.R.	378	429	517	689	728	(a)
France	143	182	276	337	349	337
Austria	312	279	314	331	407	377
Newfoundland	257	235	274	282	315	238

World Production of Wood-pulp—Con.

	1930	1932	1934	1936	1937	1938
			(Thousands of long tons)			
Czechoslovakia	308	285	320	282	367	(a)
Poland	106	92	121	142	171	184
Italy	130	123	111	137	181	183
United Kingdom	101	91	108	115	120	115
Netherlands (b)	91	95	99	106	119	103
Estonia	73	75	85	88	85	90
Switzerland	76	65	76	71	89	74
Lithuania	55	39	55	53	65	(a)
Roumania	42	31	45	50	56	81
Latvia	24	15	23	32	35	40
Other countries	93	98	114	104	74	(a)
Total	16,631	14,209	17,764	21,061	23,614	(c) 18,882

(a) Not available. (b) Includes straw pulp. (c) Incomplete.

OUTLOOK FOR NEW MATERIALS

Having seen the outstanding value of soft woods for paper making, and the position of the countries possessing those resources, let us consider the question of introducing new materials from Empire or other sources to the United Kingdom. It is at once clear that this market is dominated by a ready supply of suitable pulps from a source close at hand, Scandinavia, and any material which comes under consideration for import into the United Kingdom will have to compete in technical properties, cost of production and cost of transport with the Scandinavian pulps.

The present position is that apart from esparto grass and very small amounts of fibrous materials, required for their special characteristics, and amounting in all to a small fraction of our import, there is no material which has been able to contest the situation.

Newsprint is imported from Canada and Newfoundland, where it is produced under exceptionally favourable conditions.

Canada and Newfoundland are the only two Empire countries which have yet exported pulp or paper made from local material.

Although the outlook for placing new Empire materials on the United Kingdom market is unfavourable, except perhaps for the production of speciality papers, there is, however, a very important field of development for the paper-making materials occurring in Empire countries, namely, in supplying

the local demand for paper, where, as in the case of the Dominions, this demand is sufficiently large to warrant the establishment of local mills, to be followed by an export trade if conditions permit. In this connection we shall see that India has led the way, and Australia has recently made exceptional strides.

Pulp Production in Empire Countries

The position we will consider is that of 1938, with reference, where necessary, to subsequent permanent modifications, but generally ignoring the abnormal conditions of these war years, for which, furthermore, full details, in many instances, are not available or are withheld for security reasons.

The most important producer is Canada, whose pulp production is the second largest in the world, while in newsprint output she occupies the premier position. In the Empire no other country, apart from Newfoundland, approaches Canada in importance as a source of paper pulp.

Australia

The paper manufacturing industry of the Commonwealth is well established, but until recently it operated entirely on imported pulps, from which were produced approximately seventy-two thousand tons of paper and board, valued at £1,500,000 per annum. Since 1938, rapid strides have been made in the supply of pulp from home-grown

materials, and several important pulp mills have come into being.

RESEARCH ON LOCAL MATERIALS

For many years the Australian paper industry, in co-operation with the Council for Scientific and Industrial Research, has been investigating local materials, particularly eucalyptus woods, as sources of paper pulp. The utilization of these woods presented problems which have necessitated modification of the pulping processes, and the important developments which have now taken place are the outcome of sustained effort over a period of some twenty years.

PULP AND PAPER MILLS

The mills making pulp which are now operating are as follows:

A large pulp and paper mill at Burnie, in Northern Tasmania, using the local eucalyptus woods (*Eucalyptus gigantea*, *E. viminalis* and *E. amygdalina*) to produce a wide range of printing and writing papers. The process employed for pulping is a modified soda method. The project was at first to produce twenty thousand tons of paper a year, and then gradually to increase its capacity. Pulp production commenced in 1939, and by 1942 the mill was turning out printing and writing papers at the rate of twenty-one thousand five hundred tons a year, of which 90 per cent was eucalypt pulp, the remainder being imported sulphite pulp.

At Boyer, twenty miles from Hobart, is a mill of outstanding interest, since it produces newsprint from local eucalyptus wood, chiefly swamp gum, *Eucalyptus regnans*, and is the first commercial plant to manufacture mechanical pulp from hard wood. The furnish consists of 83 per cent eucalypt mechanical pulp, and 17 per cent imported sulphite pulp. The present installation was designed to produce twenty-seven thousand tons of newsprint a year, but a second unit is contemplated to double the output, and ultimately it is hoped to increase pro-

duction capacity to a hundred and eight thousand tons.

The erection of the Boyer mill was begun in 1939, and May 12, 1941, represented a notable landmark in Australia's industrial history; the evening newspapers in the capital cities of Australia were printed for the first time on paper made in an Australian newsprint mill, containing Australian-made mechanical pulp from native hardwood trees.

A mill at Maryvale, Victoria, commenced production in 1939, after a pilot mill had functioned since the previous year. The mill produces kraft pulp mainly from eucalyptus wood, and to a smaller degree from pine, provided according to agreement from Victorian forests by the Forests Commission. The output of pulp is now about thirty thousand tons a year, and is converted into wrappings and boards of various types. The company concerned is also working up waste paper and rags in addition to continuing on an increased scale its old-established production of strawboard.

Production commenced in 1942 at a new mill near Millicent, South Australia, of cardboard from waste paper, but the factory is designed to convert pulpwood thinnings, supplied on contract by the Government from the neighbouring forests of Mount Barr and Penola, into kraft pulp and boards of various types. The wood is from the very extensive plantations of *Pinus radiata* which have been established. It is estimated that these plantations should be capable of yielding about fifty thousand tons of wood a year which would be suitable for pulping. The production of boards in 1942 was at the rate of five thousand tons a year.

DOMESTIC MARKET

With regard to the size of the Australian market, before the War the normal consumption was fifty-five thousand tons of writing and printing papers, while the newsprint requirements were a hundred and fifty thousand tons.

Canada

The production of pulp and paper constitutes a major industry in the Dominion. It occupies first place among Canadian manufacturing industries. The development proper in the manufacture of paper started about 1880, when the utilization of wood-pulp in place of rags became commercially possible.

The great expansion in the Canadian industry has mainly followed the great increase in the world demand for newsprint during the present century, and particularly since 1920. The Canadian production of wood-pulp is only exceeded by that of the United States, but the production of newsprint in Canada is nearly three times that of the United States, which was previously the world's largest producer.

The wood-pulp production is about three to four million tons, manufactured chiefly from the soft coniferous woods, spruce and balsam fir, with lesser quantities of hemlock, Jack pine, poplar and other kinds, by mills, most of which are situated in Eastern Canada, principally in Quebec and Ontario, and also in British Columbia, Nova Scotia, New Brunswick and Manitoba.

In 1938 there were seventy-five mills producing pulp. Of these forty-eight also made paper. In addition, there were twenty-four mills making only paper. The industry is mainly a newsprint production, about 80 per cent of which in 1938 was bought by the United States, the world's largest newsprint consumer.

In 1938, 67 per cent of the wood-pulp produced was by the mechanical process, and 24 per cent was sulphite pulp.

Canada's high place in the world's paper industry is due to her share of the earth's northern belt of soft-wood forests, combined with the existence of excellent and extensive sources of water power and facilities for water transport. The harnessed hydro power is over eight million horse-power equivalent to forty million tons of coal.

The annual withdrawal and loss to the forests is about 4,000 million cubic feet of timber a year, of which 800 million is the present rate of absorption for the wood-pulp industry, while the productive stand is about 170,000 million.

It has been alleged that Canadian forests have been despoiled for the profit of newsprint concerns; and in the past, no doubt, prodigal use was made of the seemingly inexhaustible resources; but to-day the Dominion is aware of the value of re-afforestation to maintain her resources of constructional timber and pulpwood.

India

The paper industry of India has been long established, the first mill commencing operation as early as 1870. This was followed at intervals by other mills, and by 1900 the paper produced in India amounted approximately to twenty thousand tons. In 1925, there were nine mills in production. Up to this time the staple indigenous raw material for pulp production was sabai grass (*Ischaemum angustifolium*), common in Northern and Central India.

DOMESTIC MATERIALS

Although India has a large population, the paper demand is relatively small. Nevertheless the country's requirements represent a fair-sized industry, and, in order to increase the production of home-made pulp, it was necessary to look for other material than sabai grass, the supplies of which were limited and not capable of further expansion. Through the outstanding work of Raitt, bamboo was shown to be a suitable material to meet the local demand in many respects.

A protective tariff imposed in 1925 on imported paper which competed with Indian-made sorts greatly assisted the paper industry, and enabled bamboo pulp to be developed as the main local material. A further tariff in 1932 on imported wood-pulp had the effect of countering the increased use

of this material. The mills then began to increase the production of bamboo pulp, which had already established itself as suitable for writing, printing, bank, ledger and other classes of paper.

Sabai grass, having its own characteristics, is retained for some classes of paper, and is the chief material employed in the United Provinces and the Punjab, where adequate supplies of bamboo are not available. Otherwise bamboo is the main indigenous material employed.

In the years from 1925 to 1931 the average annual production of bamboo pulp was about two thousand tons, grass pulp about ten thousand tons, imported wood-pulp seventeen thousand tons. By 1939, the production of bamboo pulp had risen to about thirty-three thousand tons, sabai grass pulp amounted to twenty-two thousand tons, while the imported wood-pulp had fallen to approximately thirteen thousand tons.

PAPER MILLS

There were in 1939 some twelve paper mills operating in India, producing seventy-three thousand tons of paper, as compared with twenty-seven thousand tons in 1925.

As bamboos and grasses are satisfactory for medium and good quality paper, but uneconomical for newsprint and cheaper grades of paper, board and wrapping papers, attention is now being directed to Indian materials, such as bagasse, thought to be suitable for these purposes.

India imported prior to the war about thirty-five thousand tons of newsprint, some twenty-five thousand tons of paper board, and about forty thousand tons of other kinds of paper.

New Zealand

At present there is only one mill in New Zealand manufacturing paper pulp, at Whakatane, in the Bay of Plenty. This mill is producing mechanical wood-pulp mainly, it is understood, from the locally-grown conifer, *Pinus insignis*. The ground

wood-pulp is employed for the manufacture of paper board. The output of pulp at this mill in 1939 was approximately ten thousand tons, but it is understood that the yearly quantity is capable of being increased.

A second mill at Mataura, in the South Island, has been making paper from rags and imported pulp for many years, but is not a producer of pulp. A third mill, at Penrose, in Auckland Province, designed to use the sulphite process for converting *Pinus insignis* wood into pulp, is understood to have started the production of a wall board.

IMPORTS AND REQUIREMENTS

In 1938, New Zealand imported newsprint to the value of £527,000 and paper, cardboard, etc., valued at £1,540,800. In addition to which wood-pulp was imported. The normal peacetime requirement of New Zealand in pulp of all sorts is of the order of one hundred thousand tons.

Thus there is scope for a pulp production industry employing local materials on a fairly considerable scale to supply at least home needs. The replacement of imported paper and pulp products by home manufacturers would entail not only increased local pulp production, but a substantial extension of the Dominion's paper manufacturing capacity.

Newfoundland

This country possesses large forests of spruce and balsam fir, which provide the raw material for her staple industry, paper making. In 1938, there were only two mills operating, producing two hundred and eighty-two thousand tons of newsprint, which was exported entirely to the United Kingdom and the United States, with the exception of a thousand tons to India. This export of paper was worth £2,669,000 and represents about 40 per cent of the total exports.

There is no export of wood-pulp, but pulpwood is exported, the quantity in 1938 being sixty thousand cords, valued at about £130,000.

There are now three mills operating respectively at Grand Falls, Bishops Falls and Corner Brook, producing newsprint, sulphite pulp and baled groundwood, while a fourth mill, with a capacity of a hundred tons a day, makes sulphite pulp.

South Africa

The first mill in the Union for the manufacture of pulp was erected in 1938, at Geduld, on the East Rand, Transvaal. The establishment is on an extensive scale, and is of considerable interest and importance from the point of view of South African enterprise, and from the fact that the Pomilio soda-chlorine process is employed, a process which has been introduced in recent years.

The raw materials employed are wheat straw and the wood of *Pinus patula*, and wattle wood, and the finished products are writing, printing and other papers, and straw board. The plant was designed to produce about twenty-four tons of straw pulp and twelve tons of wood-pulp per day, equivalent to a total annual production of roughly ten thousand tons of pulp.

Although the Geduld mill is the first, and so far the only, South African plant to make pulp, a mill has operated since 1920 at Klip River, Transvaal, producing kraft papers and industrial wrappings from imported wood-pulp and local waste paper.

Further mills have been under consideration to utilize thinnings from the *Pinus patula* plantations, Eastern Transvaal, and *Pinus pinaster* plantations, Cape Province, but the projects have not yet come into being.

IMPORTS

In 1937 the Union imported forty-two thousand tons of newsprint, thirty-four thousand tons of other printing papers, and thirty-seven thousand tons of wrapping paper, in addition to which large quantities of paper board and other paper products were imported.

United Kingdom

This country has no soft wood forests or other sources of material to compete with the Scandinavian and North American conifer stands. Consequently for our large requirements in paper we import about 1,600,000 tons of wood-pulp, almost entirely from Scandinavia, only one per cent, being obtained from Canada and Newfoundland.

The pulp made in the United Kingdom is from imported pulpwood, esparto, straw, rags, and manila and other fibres. Since imported wood-pulp constitutes 90 per cent of the raw material used for paper, it will be seen that the quantities of the other materials employed are relatively small.

PULP MILLS

There are three mills in this country making pulp from imported wood, one by the mechanical process and two by the sulphite method. Esparto pulp is made on a fairly large scale, about three hundred thousand tons of the grass being imported annually. This is a relatively easy material to convert into pulp, which is required chiefly in the furnish of book and other printing paper, providing bulkiness and other desirable properties.

NEWSPRINT IMPORTS

In addition to the two million tons of paper and board manufactured in the home mills, the United Kingdom still needs further large quantities to satisfy her enormous demands. To this end, approximately a further one millions tons is imported, the chief item being about five hundred thousand tons of newsprint from Canada and Newfoundland.

The above description represents conditions in peace time just prior to this war, when overseas' supplies were unhindered. By force of circumstances paper-makers have had to look more and more to home-produced materials in these last few years, and with normal conditions entirely disrupted home-grown straw has become the chief material, apart from waste paper, for our paper production.

INDUSTRIAL AND COMMERCIAL CENTRES ON THE UNITED STATES WEST COAST

I.—Los Angeles

By T. J. MONTY, *Acting Trade Commissioner at Los Angeles*

Los Angeles is now the largest metropolitan district on the West Coast of the Americas, stretching over an area of 442 square miles between the Pacific Ocean and the mountains of Southern California, thus claiming title to being the largest United States city in the west.

One of the fastest growing cities in the United States, Los Angeles has multiplied its population some seventeen times since the turn of the century, growing from 100,000 in 1900 to one and a half million in 1940, and jumping nearly a quarter of a million in three years to 1,738,000 in 1943. The metropolitan district, including Los Angeles and Orange Counties, has expanded to 3.3 million in 1943, thus forging ahead of the Philadelphia area as the third largest metropolitan district in the United States.

Foundation and Growth

The city was founded in 1781 by Spanish missionaries and officials and was then christened El Puebla de Nuestra Senora La Reina de Los Angeles de Porciuncula. As may be seen, it has retained only a portion of its original Spanish name.

Agriculture was its first basic occupation. In due course, petroleum was discovered, later on came the movie industry, tourists, real estate development and an expanding foreign trade, which produced in 1939 for Los Angeles County some \$1,200 million worth of products. These developments found Los Angeles at the outset of the war leading in aircraft production, and with a well-developed harbour, facilitating a large shipbuilding enterprise, with water power, and transportation facilities by rail, air, water and highway, adequate to these expanding requirements.

Industry

Previous to the outbreak of war, Los Angeles had ten dominant industries which mainly contributed to its growth and wealth, each of which grossed annually over 25 million dollars. These were as follows: aircraft, shipbuilding, food processing, petroleum refining, automotive assembly, motion pictures, rubber goods and tire manufacturing, furniture making, oil tools and machinery and apparel manufacture.

SHIPBUILDING AND AIRCRAFT

Of the above, the first two, shipbuilding and aircraft, have expanded enormously under the impact of war and are expected to experience in the post-war period considerable cutbacks and a return to more normal production. In 1936 some 10,000 people were employed in these two industries, which have expanded to the point of employing near to half a million people.

"It is generally assumed," said the President of the Los Angeles Chamber of Commerce recently, "that the bulk of our plant expansion has been in airplane and shipbuilding plants. That is incorrect. There have been, of course, enormous additions to the plants of both those industries, and much of the increased industrial employment has been within those industries. More than half of the war-time plant investment, however, has been in the expansion of other pre-existing industries and in the creation of new industries."

OTHER BASIC INDUSTRIES

The remaining eight basic industries listed above, therefore, are not expected to experience such setbacks, but rather to maintain and even to expand their operations after the war. An analysis made by the *Wall Street Jour-*

nal in this regard makes the following forecast for each of these industries:

"Food processing, using products of surrounding farms, orchards and the sea, has been stimulated by war, but will not decline. It is based on a long established record of high agricultural production in Los Angeles County, highest in dollar volume of any county in the nation. It is expected to hold up in post-war civilian markets, with local, regional and national demand.

"Petroleum refining, an industry based upon local natural resources, has been expanded also, and it is anticipated that this will be utilized to meet a newly-augmented demand for motor transport after the war.

"Automotive assembly, ranking second only to Detroit, will be resumed, and it will be spurred by the same demand. Chances are that employment figures will not change greatly from current manpower demands of the assembly plants, engaged now in war work. General Motors, Chrysler, Ford and Studebaker all have large plants in the area.

"Motion-picture making faces an encouraging future. Stimulated by governmental orders for visual education films and by orders for additional prints of regular movies for exhibition to men in military services, Hollywood is currently operating at peak. Peace will bring the return of foreign markets, exploitation of industrial education and promotional films, and this industry can be expected to maintain a high level with little change in employment rolls.

"Rubber goods and tire manufacturing, made from Far Eastern rubber, should fare as the automotive industry does. It is now backed by a fully integrated synthetic rubber industry turning out Buna-S at a rate of 100,000 tons a year. Some technicians here contend that costs can decline to ten cents a pound, compared with about thirty cents at present. Whatever the result, the industry appears well established, whether it is to use synthetic material or natural rubber from Pacific sources.

"Furniture making is a field in which Los Angeles ranks among the largest producers, though production has been cut by war. Tropical and Philippine hardwoods were used, as well as softwoods from the northwest. Factories are expected to recover quickly to pre-war levels and the distribution area will be expanded through eleven western states.

"Oil tools and machine shop equipment manufactured in this area from materials shipped from the East, will be required by civilian demands for petroleum after the war, especially to replenish reserves. Local industry is expected to supply more of the materials required.

"Apparel manufacture is expected to put Los Angeles increasingly in national, and even international, markets. With sportswear and other "sunshine styles" distinguished by colour and comfort, an elaborate and expensive promotion campaign is planned. A substantial increase in employment from this source is expected. Yardage may however have to be still supplied from the East, though some opportunities for local industry exist."

WAR CREATED AND EXPANDED INDUSTRIES

Apart from the above, the number of industries born of the war or expanded by it, including a completely integrated steel industry, aluminum, magnesium, chemicals, synthetic rubber, machine shops of various kinds, fabrication plants, powdered metals, chemicals and plastics, printing and publishing, and others are expected to develop and expand in various directions, providing new enterprises with their various materials, which formerly had to be procured elsewhere, sometimes from considerable distances. Increasing war and post-war activities in the Pacific are also expected to provide a greater utilization of such materials.

Studies and researches are being made into these possibilities by various bodies, in regard to maintaining the vastly expanding population, most of which is expected to remain in this area after the war.

Los Angeles, July 26, 1944.

ECONOMIC, TRADE AND PRODUCTION NOTES**Sweden****ECONOMIC CONDITIONS**

Despite interruption of the country's trade, marking almost a complete economic isolation, save the commerce with Germany and a few other regions, Sweden has been able to maintain a tolerable existence during the war years, states *The Board of Trade Journal* in a brief review of economic conditions in that country.

Since the summer of 1942, domestic business conditions have been comparatively stable. Even before the official policy of price control became effective in that year, considerable stabilization of commodity values was recorded and from June, 1942, to the end of last year, the wholesale price index fluctuated narrowly between 192 and 197. The production index of the Federation of Swedish Industries ranged between 106 and 111. Defence preparations, of course, have contributed largely to the maintenance of business activity.

A drastic reduction of foreign trade, however, was unavoidable. The volume of imports during the last two years has fallen to about half the average pre-war quantity; and exports have gradually dropped to a total approximating a third of the peacetime average. Further recessions are foreseen. The trade agreement with Germany for 1944, published in January, shows that Swedish exports to that country this year will be "considerably below the 1943 level".

More significant, in some respects, than the reduction of general trade totals are dwindling supplies of basic industrial materials that must be imported. Earlier in the war period, for instance, Sweden received from Germany more iron and steel than it shipped to that country; but iron imports last year declined about 20 per cent. The supply of mineral coal in the same period equalled less than a third of the 1939 figure.

The nation's merchant shipping tonnage has suffered a reduction of 12 per

cent since the beginning of the war. According to reports of the Royal Board of Trade—there was a net decline of 162 vessels, totalling 192,000 gross tons at the end of 1943. A reverse trend was recorded last year, however, an increase of 26,800 tons contrasting with a drop of 83,000 tons in 1942. The resulting total at the beginning of 1944 was 1,420,000 tons. Gross wartime losses had included 226 vessels of 571,000 tons but replacements equalled about three-fourths of the lost tonnage.

Many successful adjustments of domestic industries, in the effort to meet emergency conditions, have been reported. Although most foreign markets for the principal forest products became inaccessible, immense quantities of wood were required as fuel to replace coal and coke. The timber felled during the year ended June, 1943, amounted to 1.8 billion cubic feet, an all-time record. Prefabrication of houses is encouraged with substitutes for nails and screws in use. Production of synthetic rubber had made gratifying progress; and a "pneumatic steel" tire for fitting over worn rubber, is among the more promptly available substitute articles. Industrial and motor oil is extracted from trees unsuitable for logging or production of pulp and the cultivation of oil-bearing plants has increased steadily throughout the emergency period.

India**ESTABLISHMENT OF AUTOMOBILE
MANUFACTURING INDUSTRY**

The Central Government has recently announced the issue of permission for the sale of capital stock in an automobile manufacturing concern. Such sanction is at present necessary under a recent law prohibiting the issue of new capital stock except under a special permit.

Various Indian interests have been considering for several years the pos-

sibility of manufacturing motor vehicles in this country. Shortly before the war negotiations with the Chrysler organization were understood to have reached a forward stage. The project contemplated the local assembly of parts imported from the United States and their gradual replacement by similar components made in local plants operated by, or tributary to, the central organization.

There is little expectation that this enterprise will take practical form for some time owing to the difficulties of securing machinery and materials. The marketing question is even more uncertain, due to the threat of the sale of large numbers of vehicles now employed by the services. The move is indicative, nevertheless, of the general tendency towards increased industrialization.

TRADE REGULATIONS AND TARIFF CHANGES

United Kingdom

IMPORT LICENCES FOR EXPOSED CINEMATOGRAPH FILM

Effective July 20, 1944, the Board of Trade has altered the open general import licence for "film, cinematograph, exposed" consigned from all non-enemy countries to read "cinematograph film (exposed) of a width of $1\frac{3}{8}$ inches only".

From that date, therefore, separate import licences will be required for all imports of exposed cinematograph film, other than that of the standard width of $1\frac{3}{8}$ inches; but this will not apply to goods proved to the satisfaction of the Commissioners of H.M. Customs and Excise to have been despatched to the United Kingdom before July 20, 1944, and imported into that country before September 20, 1944.

Australia

IMPORT LICENSING REGULATIONS AMENDED

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, Australia, writes under date July 4 that further changes have been made in the Australian Customs (Import Licensing) Regulations, with effect from July 1, 1944, and that the licensing period beginning on that date for goods of sterling and non-sterling origin will be of six months duration.

Commodities now under administrative control, of both sterling and non-sterling origin, include flexible shafting; ships' chronometers, patent logs and

sounding machines; rubber thread, and all types of elastic; heating elements of the enclosed type for use with electric stoves; and magnetos.

Paper-stapling appliances and tool tips, having a basic composition of tungsten, tantalum, cobalt, boron and alloys thereof or of molybdenum titanium carbide alloy have been added to the list of products from non-sterling countries under administrative control, while additions to products of sterling countries coming under this control are certain lines of cutlery.

Artificial sausage casings of non-sterling origin are now on a quota of 50 per cent of base-year imports, the former rating being 25 per cent, while hair-nets of rayon knitted mesh, formerly prohibited entry, have been given a quota of 100 per cent.

Owing to the acute shortage of corsets these have been added to the list of commodities for which no quota is required, the ruling applying to imports from both sterling and non-sterling countries. An "N.Q.R." rating has also been announced for corks, cork wood, and granulated cork for fruit wrapping.

The export quota for cotton piece-goods from British India to Australia for the quarter ending September 30, 1944, is 10,340,000 yards, and the quota of cotton yarn for the same period is 150 tons.

Cyprus

IMPORT DUTIES INCREASED ON TOBACCO

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, advises that a

Cyprus Customs Amendment Law, 1944, effective June 1, increases customs duties on tobaccos imported into that colony by 6 sh. 6 c.p. per oke. The new duties per oke are: cigars and cigarettes, £2 11sh. 1 c.p. general tariff and £2 6sh. 1 c.p., preferential tariff; manufactured tobacco, £2 1sh. 1 c.p. general tariff and £1 18sh. 1 c.p. preferential tariff. (One oke equals 2·8 pounds; 9 copper piastres equal 1 shilling; 20 shillings equal £1).

The preferential rates are accorded tobaccos of British Empire origin.

British Honduras

EXEMPTIONS FROM IMPORT PERMITS

A British Honduras Order of April 29 exempts the following from the requirements of an import permit: (a) baggage, furniture and personal effects of a passenger, approved as such by the Collector of Customs or a person acting on his behalf, the same being the property of and accompanied by the passenger and not intended for sale; (b) any postal packet the contents of which do not exceed ten dollars in value, lawfully arriving by post.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 14, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 14, 1944, and for the week ending Monday, August 7, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending August 7	Nominal Quotations in Montreal Week ending August 14	Official Bank Rate
Great Britain Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies . Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245 Official Free	.3304 .2736	.3304 .2764	3½ —
Brazil Cruzeiro (Paper)	.1196 Official Free	.0673 .0569	.0673 .0569	— —
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342 Controlled Uncontrolled	.7307 .6008	.7307 .6016	— —
South Africa Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

150

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

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PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

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THE FINANCIAL SIGNIFICANCE OF THE CURRENT LEVEL OF CANADIAN EXPORTS

By C. D. BLYTH, *Chief, International Payments Branch, Dominion Bureau of Statistics*

Canada's great achievement in producing for the war is clearly reflected in the expansion in exports. The demands of war are almost unlimited and a record proportion of the greatly expanded national product of Canada is being shipped abroad for the prosecution of the war.

In appraising the significance of this unprecedented level of exports, questions arise as to its meaning for Canada's commercial trade in the future. The special financial implications of this record movement of commodities also warrant attention. The significance to Canada of the current level of exports is then best revealed by examining current exports from various points of view.

In the first place it should be emphasized that the current level of exports is primarily the result of the mobiliza-

tion of the Canadian economy for war. Exports in any period provide a cross section of a large area of the nation's production; but during the war this relationship is more intricate and the significance of the exports must be considered along with the wartime organization of the Dominion.

There is no need here to review in detail the structure of the wartime economy beyond pointing out several of the aspects which have a more direct bearing upon exports. A large part of Canadian production during the war is the nation's response to allied needs for munitions, food, and war materials required for the prosecution of the war. The means of financing this Canadian production for use abroad is an integral part of Canada's wartime public finance. Likewise, other developments in the wartime organization of Cana-

dian life have assisted in this achievement, such as the controls over civilian consumption and over the use of the nation's manpower.

Financial Implications

The financial implications of the huge movement of commodities overseas will be examined first, for potential financial obstacles have not been allowed to impede the Dominion's war contribution. Special financial measures have been developed during the war, making it possible to export such a volume of commodities to the United Kingdom and other overseas countries. The contribution of Canada's Mutual Aid program in supplying food, munitions and other commodities and services to the United Kingdom and other United Nations requires no elaboration. Likewise Canada's billion-dollar contribution to the United Kingdom in 1942 is well known. But some of the other special factors resulting from the wartime financial organization which make this large volume of exports possible are less widely appreciated.

The expenditures which Canada makes overseas in connection with the Canadian armed forces abroad, for example, have provided the United Kingdom with a supply of Canadian exchange which the United Kingdom is able to use to pay for goods purchased in Canada. This is a special wartime source of Canadian dollars of large proportions. In the fiscal year 1943-44 the overseas expenditures of the Canadian Government amounted to \$534 million.

Other Dominion Government transactions have also contributed to relieving the British shortage of Canadian dollars arising from the abnormally large British wartime purchases in Canada. In the earlier years of the war, the official repatriation of Dominion and Canadian National Railway securities held in the United Kingdom was a means of alleviating this shortage. The accumulation of sterling balances by the Foreign Exchange Control Board was another prominent means of meeting the United Kingdom financial requirements in the

earlier years of the war until the principal part of these balances was funded in 1942 by the \$700 million loan to the United Kingdom.

In 1943, in addition to Mutual Aid and overseas expenditures, the United Kingdom had special receipts of Canadian dollars from the repatriation by Canada of the British equity in the fixed capital of war plants in Canada amounting to \$205 million. There were also large receipts from the return of working capital funds formerly advanced.

It has only been because of special receipts of Canadian dollars, such as the examples mentioned above, that the United Kingdom has been able to continue to make large purchases in Canada; for the more normal payments by Canada, such as those for imports from the United Kingdom and the sterling area, or payments of interest and dividends to British investors, are small in relation to the heavy purchases which Britain is making in Canada during the war and for which Britain must have Canadian funds.

All of the special sources of dollars which have made these purchases possible are Dominion Government expenditures and are accordingly part of the wartime financial organization in which government expenditures represent a large proportion of the national income.

Composition of Exports

The composition of Canada's exports during the war has, of course, also a distinct wartime character, just as has the financial background which has made this large outward movement of commodities possible. Manufactured products represent a larger proportion of total exports than ever before. This group of commodities is now mainly made up of munitions in its broader sense—guns, ammunition, military vehicles, aircraft and other military and naval equipment and supplies. The growth of production in this field has been phenomenal and the major portion of the production has been for use overseas.

This group of commodities has a large content of components and

materials purchased in the United States, however, and imports of steel and other metal products have risen to unprecedented levels during the war as the production of munitions has grown. The existence of these large imports of components and materials should therefore be borne in mind in any appraisal of the significance of Canada's exports of manufactured goods during the war. Apart from their foreign exchange implications, they represent an "offset" to a considerable part of the value of exports.

To some extent this large volume of exports of munitions has only been possible because of the curtailments, and often the cessation, of production of many civilian commodities for export, particularly commodities containing metal. Wartime shortages of materials, labour and plant capacity have accordingly interfered with exports to some of the commercial markets overseas which Canadian manufacturers had before the war.

But in addition to these new groups of exports of munitions which have temporarily displaced many of the exports of civilian manufactured commodities, there is a large part of the increase in exports which reflects expanded demands for commodities which were exported before the war. Included in this group are food, non-ferrous metals, lumber, pulp and other industrial raw materials. The major part of the demand for these commodities comes from the United Kingdom and the United States.

The wartime character of much of this demand is clearly evident. In the case of food exported to the United Kingdom, for instance, Canada has become a principal supplier of some kinds of food which were formerly obtained elsewhere. United Kingdom increased with British war production. The wartime financial measures which have made it possible to meet these demand for other commodities has expanded requirements of the United Kingdom have already been described.

Similarly, much of the present level of United States demand for Canadian food and industrial materials is the

product of wartime conditions. It is not possible to determine how much of this demand is due to requirement arising from the great volume of war production in the United States and how much is due to temporary shortages and increased consumption. The composition of current Canadian exports has sufficiently distinct wartime aspects, however, to suggest its temporary character.

Destination of Exports

It should be apparent from the above that care should be taken in interpreting the significance of the present volume of exports. This is particularly so with regard to the countries of destination shown in the trade statistics, since under present conditions the country of destination is not always the country on whose account the transactions were incurred.

The best example of this is provided by the diversity of destinations to which goods exported on British account are shipped. As British forces have been engaged on many fronts, there have been exports on British account to all parts of the world. Consequently the figures of exports to some foreign countries as well as those to many Empire countries often include substantial amounts of munitions and war supplies on British account. Of the total exports of \$421.5 million to foreign countries other than the United States in 1943, well over \$300 million was made up of exports to Mediterranean countries such as Egypt, Italy and French Africa where British, Canadian and other allied forces have been engaged. The bulk of the commodities to these countries are munitions and other war supplies on British account and were either Mutual Aid or financed by the special measures already described.

Similarly, exports to Russia have been predominantly Mutual Aid in recent months and earlier in 1943 mainly represented British diversions to this ally. Exports to Greece likewise do not produce any foreign exchange, being chiefly made up of the gift of wheat by the Canadian Government. Red Cross parcels for prisoners

of war and other gifts also appear in the exports to foreign countries.

The result of all these factors is that when the element of the total of \$421.5 million exports to foreign countries other than the United States which represents commercial trade is segregated, it is disclosed that this latter trade amounted to less than \$35 million in 1943. Most of this is made up of exports to South and Central American countries. Trade with the countries of Continental Europe has, of course, been virtually eliminated, with the principal exception of some sales of wheat to neutral countries which are not included in the above figures.

Neither does the current high level of exports to the United States represent commercial trade alone. Total exports of domestic and foreign produce to the United States amounted to \$1,166.6 million in 1943. Of this it is estimated that exports of a general commercial character accounted for about \$780 million. This total represents the value of civilian commodities sold to the United States during the year and includes some items for war purposes which cannot be distinguished. It excludes, however, the value of munitions and metals sold to the United States Government under the Hyde Park Arrangement as well as other exports which were not part of Canada's commercial trade with the United States.

While it is not possible to tell how much of this \$780 million in 1943 represents normal commercial business, it is clear that substantial amounts of these commodities are used for war production in the United States. The wheat consumed in the production of alcohol for the synthetic rubber plants is only one example of this. Another part of the total in 1943 was due to the abnormal demand for Canadian feed grains arising from shortages in the United States. On the other hand considerable parts of the total were the result of civilian demands springing from the high levels of incomes in the United States.

The financial background which makes possible the large movement of exports on the United Kingdom and

other sterling area account has already been described. It may be of interest to examine the non-munitions element of these exports, as these commodities are to a large extent civilian commodities which entered into pre-war commercial trade. The amount of these commodities exported on United Kingdom account in 1943, exclusive of food provided under Mutual Aid in the latter half of the year, is estimated at \$608 million. This group includes a large part of the food exported in 1943 and most of the non-ferrous metals, lumber and wood products, and other miscellaneous civilian commodities. It consequently reflects a large amount of special wartime demand and can only be regarded as commercial exports in a very limited sense.

The corresponding group of exports to the rest of the Empire, including Newfoundland, are estimated at \$149 million. While exports of civilian commodities to these countries are more commercial in character than the comparable group to the United Kingdom, they also reflect special wartime demands and their composition has changed accordingly.

These two groups only account for about one-half of the exports directly destined to Empire countries in 1943 and considerably less than half of the total exports on British and Empire account, a figure which includes the exports on British account to foreign destinations as well as to Empire destinations. The remaining exports in 1943 on sterling area account are made up of the munitions which were paid for by the British and Dominion Governments, as well as the munitions and food provided as Mutual Aid by the Canadian Government to the United Kingdom and Australia, and exports on Canadian account to the Canadian armed forces overseas.

Summary

This brief review of Canada's exports in 1943 shows to what a large extent they are dominated by special war production and other wartime situations. In addition to Mutual Aid the financing of a large part of the remainder has been made possible by other

wartime financial measures. As the analysis shows, only slightly more than half of the total of approximately \$3 billion exported in 1943 represents civilian commodities of the general type which constituted Canada's trade before the war. But a large part of the demand for this group of commodities, too, has been temporarily increased by abnormal war requirements outside of Canada. In many cases the normal commercial demands for these commodities would only represent small portions of the totals now being exported. It is possible that not more than a quarter of the present total of exports represents normal, established commercial trade.

It is clear that when war production and abnormal war demands for Canadian products subside very sharp reductions in the volume of exports from Canada may be anticipated. The inevitable transition from a war to a peace economy will involve many changes. But after the reconversion, **commodities will again be available for export which are not being produced at present.** A great many commercial channels that have been interrupted by the war will be re-established. Then,

too, substantial new potential demands for Canadian products are already evident. During the transitional years, these demands will be particularly heavy for Canada will be one of the main available sources of supply. There will, however, be special problems of financing the demands of some countries which will tend to limit the effective demand. In short, the composition of Canadian exports will be greatly altered after the war and the volume will depend to a large extent upon the financial effectiveness of some of the demand.

The new export credit legislation is a measure designed to meet some of the financial problems. The solution of others will depend to a large extent upon the general background of post-war trade. The plans for an international currency agreement and an international bank made recently at the Bretton Woods Conference point towards the goal of the eventual re-establishment of a multilateral system of world trade. The successful operation of such a system would remove some of the financial obstacles and do much to ensure a large volume of Canadian trade.

IMPORTANT CHANGES IN PROCEDURE FOR SHIPMENTS TO LATIN AMERICA

The Shipping Priorities Committee announces that as from September 1, 1944, freight-space applications (Form E.1) will be required only for commercial shipments of 10,000 pounds or more consigned to Latin American countries in South America, excepting Argentina. Space applications will not be required for shipments to Latin American countries in Central America and the Caribbean area. Following are details of these changes.

Freight-Space Application (E.1) Procedure

(A) *Shipments to Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico (by sea), Nicaragua and Panama.*

As from September 1 no freight-space applications will be required to

the above destinations, except in the case of shipments of newsprint for which the present procedure remains unchanged.

(B) *Shipments to All Other Latin American Countries, excepting Argentina.*

As from September 1 freight-space applications will be required only for shipments of 10,000 pounds or more, except in the case of shipments of newsprint for which the present procedure remains unchanged.

CONSOLIDATED SHIPMENTS

If a shipper consolidates several shipments to one consignee, or to several consignees at the same port, and if such consolidations aggregate more than 10,000 pounds, freight-space

applications should be filed with the Shipping Priorities Committee.

(C) *Argentina.*

Freight-space applications will be required as at present for all shipments of 2,240 pounds or more to Argentina.

O.D.T. Permit Procedure

Announcement was made in *Commercial Intelligence Journal* No. 2101 (May 6, 1944), of the discontinuance as from May 1 last of O.D.T. permits covering rail movements to United States ports of exit when the shipments are less than 20,000 pounds and do not exclusively occupy a railway freight car. This regulation will remain in effect after the September 1 changes stated above.

Group "A" Destinations

O.D.T. permits when required (i.e., for shipments of 20,000 pounds or more) to the countries in Group "A" above, will be obtained by the Canadian shipper from the Transport Controller, Montreal, in the following manner:—

When a space booking has been arranged with a steamship operator, the shipper or his shipping agent will complete in sextuplicate Part I of a new form entitled "Confirmation of Booking and Shipping Authority", which will be supplied by the steamship operator. (Copy of this form will be reproduced in next week's issue.)

The steamship operator will complete Part II of this form, retain one copy and forward the remaining five to the Transport Controller in Montreal, who will insert the O.D.T. permit number in Part III of the form on behalf of the Manager Port Traffic, Association of American Railways, which is taking over from the War Shipping Administration as from September 1 the control of rail movements to United States ports of exit.

The shipper will receive two copies of this new form with his O.D.T. permit number and will be required to surrender one copy to the agent of the initial Canadian railway carrying the shipment. The O.D.T. permit number with effective and expiry dates must

still be shown on railway bills of lading and way bills.

Where time does not permit the use of the new "Confirmation" form, railway agents will be authorized to accept a telegram from the Transport Controller to the shipper quoting the O.D.T. permit number with its effective and expiry dates.

Group "B" Destinations

When O.D.T. permits are required for shipments to countries in Group "B" above (i.e., for shipments of 20,000 pounds or more) the same procedure will apply, but the new "Confirmation" form must be supported by a freight-space application (Form E.1) processed and approved as heretofore. Thus, when the shipper or his agent submit the "Confirmation" form in sextuplicate to the steamship operator, it must be accompanied by an approved E.1 form.

The Canadian S.P.C. number, which appears on the top right corner of the E.1 form, should be inserted in the space opposite "Export Licence No." in the new "Confirmation" form.

Shipments Under 20,000 Pounds

These do not require O.D.T. permits, but shippers must show their steamship booking references (contract numbers) on railway bills of lading.

Consolidated Carloads

For carloads of consolidated less-than-carload shipments (i.e., several shipments aggregating 20,000 pounds or more and therefore requiring an O.D.T. permit), the "Confirmation" form forwarded to the Transport Controller must be supported by E.1 forms or the so-called "short" form (which will also be reproduced in next week's issue). The steamship operator will supply copies of this form to the shipper or his agent. This form must be certified by the steamship operator and the rail bills of lading and waybills must show steamship contract number for each individual lot as heretofore.

Newsprint

As stated previously, newsprint shipments will not be affected by the new procedure. Newsprint shippers

will continue to file freight-space applications for all shipments of 2,240 pounds or more consigned to any Latin American country. O.D.T. permits will be obtained for such shipments in the same manner as outlined above

with respect to Group "B" countries, except that a copy of the new "Confirmation" form bearing the O.D.T. permit number will not be surrendered to the Canadian railway in the case of newsprint shipments.

SCIENTIFIC POLICY FOR UNITED KINGDOM AGRICULTURE

By FREDERIC HUDD, *Chief Canadian Trade Commissioner in the United Kingdom*

The Parliamentary and Scientific Committee, comprising an unofficial group of Members of both United Kingdom Houses of Parliament and representatives of more than fifty scientific associations, has, after discussion with agricultural experts, submitted a report to the Ministry of Agriculture recommending a broad basis for agricultural policy after the war.

It advocates that the Government's future policy should be governed by scientific principles and co-ordinated with the United Kingdom's nutritional requirements. It is suggested that expenditure on agricultural research should be increased from the present level of £600,000 a year to at least £3,000,000 and that practical farmers, land-owners and industries directly or indirectly concerned with agriculture should co-operate to a greater extent than heretofore in a wider research program. One line of investigation proposed is an inquiry into the more effective use of coal for soil heating, crop drying and other processes. Results of research, states the Committee, should be made available to farmers, together with scientific knowledge generally, by publicity of every kind. This should include demonstrations, meetings, film displays, and regional advisory services.

Improvement in Efficiency

The Committee points out that, if the small agricultural area of Great Britain is to make its due contribution to a better-fed world, it must be farmed with high efficiency, and special consideration should be given to the supply of protective foods, par-

ticularly perishable ones like milk and green vegetables.

It is proposed that prices should be guaranteed normally for a period of three years, subject to farmers keeping an appropriate proportion of ploughland and a satisfactory and efficient farming system, including control of disease, both in crops and live stock.

Other recommendations put forward by the authors of the report are:—

1. A substantial acreage of farm land should continue to be under the plough to ensure a continuing high level of production. There should be effective complementary use of crops and live stock, efficient use of labour, and wide development of ley farming.
2. A substantially higher proportion of ploughland to grassland than in 1939 should be maintained in future.
3. There should be balanced, mixed, rotational farming, with encouragement to good variations and improvements arising from science, invention and practical experiment.
4. Plans should be established to enable every farmer to secure veterinary aid and to effect the control of disease among his live stock and to improve their health.
5. Better drainage and power supplies should be made available, and soil fertility should be improved by the provision of lime fertilizers, etc.
6. Schemes should be developed for the modification of farm buildings and equipment, to-

gether with better water supplies to fields as well as buildings.

7. Marketing and distribution of agricultural products should be reformed, seasonal gluts being dealt with by new processing methods.
8. Wages, housing, social amenities and working conditions on the land should be brought up to the level of equally skilled urban populations.
9. Efficient oversight and advisory assistance should be ensured by the formation of a central body with some of the functions of War Agricultural Executive Committees.
10. Farmers should aim at "balanced farming", which means that crops should follow one another in designed sequences suited to local conditions. Balanced farming requires live stock, especially cattle and sheep, and crops like sugar beet, potatoes and green vegetables to be dispersed over the country and not concentrated in localities or on specialized farms.

Scope for Expanded Production

The estimated annual output of United Kingdom agriculture before the war was £250,000,000. In the opinion of the Committee, this production could be greatly expanded by a policy of modernization. The Committee claims that the soil and climate of the United Kingdom are such as to allow of a far greater output than was achieved before the war, and that most farmers are anxious to achieve this increased efficiency. Much more milk, meat, eggs, vegetables and fruit will be required after the war.

The Parliamentary and Scientific Committee's views with regard to imports of food are that such imports inevitably affect domestic agriculture and should be properly related to it. In its opinion it would be wrong for low-level standards of some food-exporting countries and other special conditions, such as unwise exploitation of the soil, to be allowed, as before the war, to create competition which a sound British agriculture could not meet without unfair depression of its own standard of life.

London, August 10, 1944.

TRADE OF BARBADOS IN 1942

By G. A. NEWMAN, *Canadian Trade Commissioner*

The trade of Barbados in 1942, like that of all the other Caribbean Colonies, was adversely affected by the intensive submarine campaign in the Caribbean during that year.

Domestic Exports

Domestic exports, valued at £1,117,280, and imports, at £2,003,237, were both considerably lower than the 1941 values of £1,660,670 and £2,299,564, respectively.

PRINCIPAL COMMODITIES

The movement of molasses proved to be the most difficult problem, with the result that a large part of the year's production remained in storage; only 1,648,401 gallons (£147,750) were exported as compared with 8,638,525 gallons (£722,184) in 1941. Molasses to

the value of £71,680, or 48.5 per cent of the total exports, were shipped to Canada. This was considerably below the previous year's value of £518,305.

Sugar exports amounted to 60,956 tons (£846,336) as compared with 66,537 tons (£840,745) in 1941. Exports to the value of £103,530, or 12.2 per cent of total shipments, went to Canada as compared with £528,184 in the previous year. The United Kingdom purchased 67.1 per cent of the 1942 sugar exports.

The trade in rum continued to be profitable for the Colony. In contrast with pre-war annual exports of about 98,000 gallons (£9,000), exports in 1942 amounted to 585,962 gallons (£68,362). This compared favourably with the previous year's exports of 587,012 gal-

lons (£58,701). Of the total exports, 66.1 per cent went to the United Kingdom, 15.5 per cent to Trinidad, where rum was required for military, naval and construction personnel, and 3.1 per cent to Canada.

CHIEF MARKETS

On account of exports of molasses and sugar to Canada being reduced in 1942, the total percentage of the Colony's exports to Canada in that year dropped to 15.9 per cent as compared with 63.2 per cent in 1941. The United Kingdom, therefore, became the chief market, taking 56.8 per cent of total exports as against 20.8 per

cent in 1941. The United States is credited with purchasing 2.5 per cent.

Import Trade

The total value of Barbados' import trade in 1942 showed a reduction, with an accompanying decrease in imports from Canada and the United Kingdom; there was, however, an increase in those from the United States and Argentina.

The table on imports by commodity groups shows, on the basis of main import classifications and sources of supply, the changes in values of imports in 1942 as compared with those for 1941.

Barbados Imports by Commodity Groups

	Imports		Inc. (+) or Dec. (—)
	1942	1941	
Food and feedstuffs	£789,365	£914,163	—124,798
United Kingdom	32,562	78,832	— 46,270
Canada	293,964	390,600	— 96,636
United States	67,336	4,305	+ 63,031
Argentina	219,128	125,248	+ 93,880
Manufactured products	923,775	1,133,264	—209,489
United Kingdom	381,718	447,859	— 66,141
Canada	217,578	416,783	—199,205
United States	115,444	90,778	+ 24,666
Argentina	56,550	574	+ 55,976
Raw materials and semi-manufactured products	245,357	197,144	+ 48,213
United Kingdom	6,517	4,860	+ 1,787
Canada	57,971	84,988	— 27,017
United States	55,741	29,985	+ 25,760

FOODSTUFFS

The principal foodstuffs imported in 1942, according to value, with values for 1941 shown within parentheses, were as follows:

Wheat flour, £119,253 (£111,794); salted pork, £89,936 (£49,315); rice, £45,938 (£146,644); oilcake and oilmeal, £44,218 (£53,193); cornmeal, £40,188 (£32,236); salted beef, £34,370 (£15,398); dried salted and smoked fish, £34,857 (£36,594); canned meat, £27,344 (£13,234); edible oil, £28,101 (£15,258); margarine, £24,252 (£23,789); lard and lard substitutes, £21,249 (£16,499); condensed milk, £18,187 (£23,513); canned fish, £14,232 (£13,532); bran and pollards, £13,982 (£18,702); cigarettes, £13,266 (£19,049); onions, £9,990 (£12,606); cocoa, £8,794 (£12,113); bacon and hams, £8,007 (£16,131); potatoes, £5,681 (£13,689); farinaceous preparations, £4,498 (£7,263); tea, £4,886 (£12,231); cheese, £4,639 (£7,033); dried peas and beans, £4,467 (£16,337); fine salt, £3,621 (£6,648); beer, £2,962 (£2,978).

MANUFACTURED GOODS

The principal imports of manufactured goods were:

Cotton piece-goods, £114,204 (£92,041 in 1941); cotton manufactures, £98,537 (£82,963); art silk piece-goods, £62,615 (£50,744); common soap, £56,201 (£15,589); motor spirit, £46,288 (£38,513); empty bags, £32,937 (£41,150); iron and steel manufactures, £31,876 (£30,246); leather footwear, £31,273 (£40,399); socks and stockings, £3,339 (£8,280); kerosene, £27,678 (£15,946); medicine and drugs, £23,233 (£28,607); electrical appliances, £22,541 (£13,096); paper, £22,394 (£38,476); wool and woollen manufactures, £20,509 (£30,676); sugar machinery, £19,066 (£35,242); paints and colours, £15,427 (£12,538); chemicals, £14,434 (£18,196); fuel oils, £13,470 (£7,584); cement, £13,408 (£7,165); potash, £13,050 (£49,882); lubricating oil, £12,106 (£9,837); fuel-oil residue, £9,352 (£6,107); hardware, £9,158 (£12,926); perfumery and cosmetics, £8,925 (£11,019); motor-car parts, £8,760 (£16,926); wood manufactures, £7,743 (£12,479); glass bottles, £7,180 (£4,896); sulphate

of ammonia, £6 750 (£98,623); cordage, £6,530 (£4,085); leather, £6,429 (£4,420); hats and caps, £5,909 (£6,427).

RAW AND SEMI-MANUFACTURED PRODUCTS

Following were the main imports of raw and semi-manufactured products:

Copra, £65 190 (£16,978 in 1941); shooks and staves, £35,562 (£44,252); pitch pine, £30,362 (£3,889); coal and coke, £16,697 (£4,932); crude oil, £14,971 (£7,884); Douglas

fir, £14,005 (£19,042); firewood, £12,950 (£16,897); white pine, spruce, etc., £12 304 (£28,450); charcoal, £11,372 (£12,876).

DIRECTION OF TRADE

Despite a general reduction in imports from Canada, the Dominion retained her position as the main source of supply for Barbados, as shown in the table of imports by countries.

Barbados Imports by Countries

	1942		1941		Inc. (+) or Dec. (-) Per Cent
Total	£2,003,237	100	£2,299,564	100	
Canada	578,426	28.9	912,334	39.7	-10.8
United Kingdom	445,653	22.3	554,746	24.2	-1.9
Other Empire countries	352,717	17.6	487,052	21.2	-3.6
United States	246,914	12.3	131,762	5.7	+6.6
Other foreign countries	355,401	17.7	182,868	7.9	+9.8

The two main factors contributing to the reduction in imports from Canada in 1942 were the outright reduction in cargo space, which necessitated a restriction of imports to essential requirements only, and an increasing shortage of supplies in Canada.

Another, although less important factor, was the necessity of moving a large part of cargoes from Canada through the United States Atlantic and Gulf ports, with a resulting increase in the cost of Canadian products as compared with that of items from other sources and increased difficulty in forwarding shipments by rail to those ports in time to make suitable steamer connections.

Imports from the United Kingdom

Aside from cigarettes, imported to the value of £13,182 as compared with £21,500 in 1941, foodstuffs imports from the United Kingdom were of minor importance. The main imports were manufactured goods, of which the principal items were as follows:

Boots, shoes and slippers, £9,985 (£16,113); cement, £8,573 (£12,611); chemicals n.o.p., £8,024 (£6,908); china and earthenware, £3,086 (£5,480); coal, £5,325 (£3,133); cotton piece-goods, £45,691 (£49,403); art silk piece-goods, £36,738 (£25,984); cotton manufactures n.o.p., £94,986 (£75,633); electrical apparatus, £16,280 (£8,071); hardware, £7,541 (£13,859); hats

and bonnets, £3,582 (£4,755); implements and tools, £2,128 (£3,437); machinery, all kinds, £20,614 (£36,895); medicine and drugs £10,608 (£10,510); iron and steel manufactures, £14,215 (£11,662); paints and colours, £12,812 (£8,964); paper, £5,345 (£9,705); perfumery, £4,014 (£5,551); motor-car parts, £3,191 (£6,487); tires and tubes, £3,058 (£6,959); wool and woollen manufactures, £19,121 (£29,617).

There was a decrease in nearly all imports with the exception of artificial silk piece-goods, cotton manufactures, electrical apparatus, certain iron and steel manufactures, and paints and colours.

Imports from the United States

On account of the sharp increase in the value of imports from the United States in 1942, an examination of the main products supplied is of interest. As shown in the following summary, oilmeal, cornmeal, flour, cotton piece-goods, iron and steel manufactures, and pitch pine were the main items showing increased value:

Foodstuffs.—Oilmeal and oilcake, £23,882 (£311 in 1941); flour, £16,058 (nil); cornmeal, £21,191 (£3,771).

Manufactured and Semi-manufactured Products.—Cement, £2,181 (nil in 1941); coal £11,322 (£1,749); cotton piece-goods, £29,890 (nil); hardware, £4,657 (£1,118); potash, £13,050 (£49,882); iron and steel manufactures, £14,057 (£6,577); lubricating oil, £10,498 (£8,421); motor-car parts, £3,272 (£5,809); pitch pine, £30,362 (£3,889); shooks and staves, £6,924 (£16,112); wood manufactures, n.o.p., £3,088 (£2,386).

Imports from Other Countries

The main imports from other countries, exclusive of Canada, in 1942 were as follows:

Argentina.—Salted beef, £33,158 (£14,750 in 1941); butter, £32,057 (£9,257); salted pork, £22,019 (£2,086); canned meat, £27,137 (£12,937); bran and pollard, £6,121 (£5,428); oilcake and oilmeal, £11,442 (£29,457); edible oil, £22,249 (£6,000); corn, £20,009 (£11,837); onions, £9,653 (£2,605); cornmeal, £17,737 (£10,927); common soap, £50,661; bacon and hams, £7,438 (£14,654).

Australia.—Butter, £7,355 (£717).

Brazil.—Oilcake and oilmeal, £8,852 (£305).

Newfoundland.—Dried salted and smoked fish, £20,871 (£29,182).

India.—Bags, £24,427 (£40,822).

Imports from Canada

Dropping from the record value of £912,334 in 1941, imports from Canada in 1942 were valued at only £578,426, which was also slightly below the 1940 figure of £582,146.

Decreases in foodstuff imports covered a wide range of items, including beer, butter, cheese, oats, cornmeal, dried beans and peas, lard and lard substitutes, condensed milk, and potatoes. There were, however, increases in the values of imports of dried fish, pickled pork, tobacco, and bran and pollards.

In manufactured goods the decreases were mainly in hosiery, rubber goods, chemicals, drugs and medicines, iron and steel manufactures, and wrapping paper, while increases were recorded for bags, soap, and especially leather boots and shoes.

Details of Imports

Following are details of imports of interest to Canadian shippers for items the imports of which from Canada were valued at £1,000 or more, comparative values for 1941 being shown within parentheses:

FOODSTUFFS

Baking Powder.—Total, £2,574 (£3,090): United States, £785; Canada, £1,789 (£2,813).

Beer and Ale in Bottles.—Total, 11,847 gal., £2,962 (£6,547 gal., £17,309): United Kingdom, £1,382; Canada, 6,276 gal., £1,569 (£9,685).

Butter.—Total, 765,974 lb., £49,788 (580,708 lb., £36,294): Brazil, £3,598; Argentina, £32,057; New Zealand, £2,541; Australia, £7,355; Canada, £4,230 (£6,445).

Bran and Pollards.—Total, 1,997,300 lb., £13,982 (4,675,544 lb., £18,702): Brazil, £2,657; Argentina, £6,121; Canada, 743,400 lb., £5,204 (£1,490).

Cattle and Animal Foods n.o.p.—Total, 1,275,496 lb., £6,377 (1,696,021 lb., £5,936): United States, £1,549; Canada, 900,237 lb., £4,501 (£4,838).

Cheese.—Total, 62,651 lb., £4,699 (112,534 lb., £12,113): Canada, 60,085 lb., £4,506 (£6,957).

Prepared Cocoa.—Total, 87,946 lb., £8,794 (161,500 lb., £12,113): Canada, 85,157 lb., £8,516 (£9,322).

Canned Fish.—Total £14,232 (£13,532): Canada, 14,230 (£13,246).

Fish, Dried, Salted and Smoked.—Total, 11,619 quintals, £34,857 (18,297 quintals, £36,594): Newfoundland, £20,871; Canada, 4,662 quintals, £13,986 (£7,412).

Oats.—Total, 2,320,121 lb., £13,921 (4,532,732 lb., £22,663): Canada, 2,320,121 lb., £13,921 (£22,554).

Wheaten Flour.—Total, 87,525 bags, £119,253 (97,213 bags, £111,794): United States, £16,058; Canada, 75,731 bags, £103,184 (£111,794).

Maize or Cornmeal.—Total, 26,792 bags, £40,188 (28,032 bags, £40,188): Argentina, £17,737; United States, £21,191; Canada, 840 bags, £1,260 (£17,523).

Dried Peas and Beans.—Total, 357,479 lb., £4,467 (1,633,713 lb., £16,337): Chile, £1,552; Canada, £131,568 lb., £1,644 (£3,255).

Farinaceous Preparations n.o.p.—Total, £4,498 (£7,263): Canada, £3,744 (£5,421).

Lard and Lard Substitutes.—Total, 531,242 lb., £21,249 (550,001 lb., £16,449): Argentina, £5,847; Jamaica, £12,731; Canada, 66,788 lb., £2,671 (£12,409).

Pork, Salted.—Total, 2,767,274 lb., £89,936 (2,465,745 lb., £49,315): Argentina, £22,019; Canada, 2,089,760 lb., £67,917 (£47,229).

Milk Condensed or Otherwise Preserved (not less than 8 per cent Butterfat).—Total, 519,630 lb., £18,187 (£55,143 lb., £23,513): Canada, 518,688 lb., £18,154 (£23,423).

Provisions, Unenumerated.—Total, £6,258 (£9,202): United Kingdom, £1,406; United States, £1,199; Canada, £3,611 (£4,557).

Unmanufactured Leaf Tobacco.—Total, 164,853 lb., £10,129 (171,843 lb., £9,795): Canada, 164,493 lb., £10,129 (£7,739).

Potatoes.—Total, 631,292 lb., £5,681 (2,737,552 lb., £13,688): Argentina, £495; Canada, 573,394 lb., £5,161 (£13,492).

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Douglas Fir, Undressed.—Total, 456,739 ft., £8,221 (955,927 ft., £9,560): Canada, 456,739 ft., £8,221 (955,927 ft., £9,560).

Douglas Fir, Dressed.—Total, 321,354 ft., £5,784 (948,176 ft., £9,482): all from Canada (£9,482).

Other Kinds, Undressed, not including Pitch Pine or Hardwoods.—Total, 878,886 ft., £12,304 (2,574,859 ft., £28,323): Trinidad, £392; Canada, 845,570 ft., £11,838 (£27,674).

Shingles.—Total number, 2,503,700, £2,755 (£8,179,008, £8,587): Canada, 2,484,500, £2,733 (£8,518).

Shooks and Staves.—Total, £35,562 (£44,252): United States, £6,924; Canada, £28,638 (£28,240).

MANUFACTURED PRODUCTS

Socks and Stockings.—Total, 53,432 pr., £3,239 (191,050 pr., £8,280): United Kingdom, £575; Canada, 44,251 pr., £2,662 (£5,021).

Apparel, Other Kinds.—Total, £24,680 (£32,254): United Kingdom, £5,065; British Guiana, £2,636; United States, £2,221; Canada, £12,409 (£14,213).

Bags and Sacks.—Total number, 658,753, £32,937 (1,003,700, £41,150): India, £24,427; Canada, 170,203, £8,510 (£328).

Cordage.—Total, 93,284 lb., £6,530 (116,729 lb., £4,085): United Kingdom, £1,057; Northern Ireland, £105; Argentina, £3,310; Canada, £2,058 (£1,561).

Cotton Piece-goods, First Cost not exceeding 1s. per Yard.—Total, 1,625,539 sq. yd., £74,893 (2,273,624 sq. yd., £79,076): Brazil, £1,164; Hong Kong, £2,012; United States, £13,572; United Kingdom, £26,442; Canada, 701,651 sq. yd., £31,703 (£33,380).

Cotton Piece-goods, First Cost exceeding 1s. per Yard.—Total, 443,822 sq. yd., £39,311 (166,316 sq. yd., £12,965): United Kingdom, £19,249; United States, £16,318; Canada, 30,959 sq. yd., £2,874 (£3,929).

Other Cotton Manufactures, except Apparel.—Total, £98,537 (£82,936): United Kingdom, £94,986; Canada, £3,195 (£6,742).

Artificial Silk Piece-goods, First Cost not exceeding 1s. per Yard.—Total, 490,288 sq. yd., £21,356 (482,002 sq. yd., £19,634): United Kingdom, £19,878; Canada, 17,616 sq. yd., £1,470 (£3,472).

Artificial Silk Piece-goods, First Cost exceeding 1s. per Yard.—Total, 357,807 sq. yd., £41,259 (382,915 sq. yd., £31,110): United Kingdom, £16,860; United States, £7,662; Canada, £15,012 (£17,337).

Wool and Woollen Manufactures.—Total, £20,509 (£30,676): United Kingdom, £19,121; Canada, £1,215 (£1,037).

Cutlery.—Total, £3,451 (£2,775): Canada, £3,099 (£1,432).

Electrical Appliances, Other than Radios.—Total, £22,541 (£13,096): United Kingdom, £15,061; United States, £1,309; Canada, £6,171 (£5,834).

Metal Refrigerators.—Total, £1,408 (£2,137): Canada, £1,404 (£1,860).

Machinery and Apparatus, Other Kinds.—Total, £5,880 (£6,950): United Kingdom,

£2,816; United States, £471; Canada, £2,586 (£791).

Iron and Steel Manufactures n.o.p.—Total, £26,502 (£18,133): United Kingdom, £10,368; United States, £13,717; Canada, £2,409 (£12,404).

Sewing Machines.—Total, £1,183 (£5,390): Canada, £1,002 (£3,460).

Parts for Motor-cars, Trucks and Vans.—Total, £8,760 (£18,044): United Kingdom, £3,191; United States, £3,272; Canada, £2,297 (£5,748).

Bags, Trunks and Valises.—Total, £3,802 (£3,335): United Kingdom, £676; Canada, £3,074 (£2,101).

Boots, Shoes and Slippers, wholly or partly of Rubber.—Total, 12,881 prs., £2,219 (175,130 prs., £18,183): Canada, 12,121 prs., £2,144 (£8,503).

Boots, Shoes and Slippers, Other Kinds.—Total, 64,013 prs., £31,273 (99,993 prs., £40,399): United Kingdom, £9,985; Canada, 41,850 prs., £21,191 (£23,501).

Cement.—Total, 13,408 bbl., £13,408 (18,069 bbl., £17,165): United Kingdom, £8,573; United States, £2,181; Canada, 2,654 bbl., £2,654 (£4,554).

Sulphuric Acid.—Total, 78,115 lb., £2,603 (289,573 lb., £7,239): United Kingdom, £597; Canada, 59,895 lb., £1,996 (£6,832).

Chemicals n.o.p.—Total, £11,678 (£10,825): United Kingdom, £8,024; United States, £883; Canada, £1,571 (£1,997).

Glass Bottles.—Total, £7,180 (£4,896): United Kingdom, £1,722; Canada, £3,839 (£3,647).

Hard Haberdashery.—Total, £3,785 (£3,669): United Kingdom, £681; United States, £571; Canada, £2,533 (£1,917).

Hats and Bonnets.—Total, £5,909 (£6,427): United Kingdom, £3,582; Canada, £2,193 (£700).

Sulphate of Ammonia.—Total, 450 tons, £6,750 (6,732 tons, £98,623): Canada, 450 tons, £6,750 (£98,623).

Drugs and Medicines.—Total £23,233 (£28,607): United Kingdom, £10,608; United States, £2,737; Canada, £9,754 (£16,032).

Paints and Colours.—Total, 308,539 lb., £15,427 (501,534 lb., £12,538): United Kingdom, £12,812; Canada, 51,088 lb., £2,554 (£3,497).

Printing Paper.—Total, £5,679 (£5,078): Canada, £5,306 (£4,483).

Writing Paper.—Total, £2,292 (£2,783): Canada, £1,403 (£1,485).

Wrapping Paper.—Total, £4,441 (£17,761): United States, £314; Canada, £4,072 (£17,211).

Paper Manufactures n.o.p.—Total, £9,579 (£12,718): United Kingdom, £4,071; United States, £1,046; Canada, £4,253 (£5,114).

Perfumery, Cosmetics, and Toilet Requisites.—Total, £8,925 (£11,019): United Kingdom, £4,014; United States, £2,436; Canada, £2,314 (£4,962).

Fancy Soap.—Total, £3,573 (£4,793): Canada, £3,324 (£2,691).

Common Soap.—2,810,073 lb., £56,201 (1,385,749 lb., £15,589): South Africa, £3,923; Argentina, £50,661; Canada, 62,822 lb., £1,256 (18,571 lb., £212).

Wood and Timber Manufactures, n.o.p.—Total, £5,913 (£9,366): United Kingdom, £1,583; United States, £3,088; Canada, £1,191 (£4,305).

Manufactured Goods, n.o.p.—Total, £22,421 (£15,850): United Kingdom, £6,240; United States, £1,882; Canada, £13,990 (£7,605).

The following are total values of imports in which supplies from Canada, indicated in parentheses, were less than £1,000 in value:

Pickled trout and salmon, £2,500 (£195); pickled fish, other than trout and salmon, £1,611 (£666); corn, £22,659 (£132); bacon and ham, £8,007 (£201); salted beef, £34,370 (£168); pickles, sauces and condiments,

£1,186 (£109); canned meats, £27,344 (£204); tea, £4,886 (£244); canned vegetables, £93 (£56); onions, £9,990 (£42); plants, seeds and bulbs, £913 (£165); twines, £2,559 (£476); metal hollow-ware, £1,506 (£133); hardware n.o.p., £9,158 (£871); implements and tools, n.o.p., £1,315 (£429); printing machinery, £608 (£462); machinery for sugar, £19,066 (£684); nails and rivets, £2,063 (£892); typewriters and parts, £639 (£464); china, porcelain and earthenware, £3,846 (£681); lamps, chimneys, and table glassware, £3,663 (£176); rubber tires and tubes, £1,950 (£694); other india rubber and gutta percha manufactures, £1,350 (£315); leather, dressed and undressed, £6,429 (£555); saddlery and harness, £835 (£302); oilcloth and linoleum, £1,210 (£174); lubricating oils, £12,106 (£305); paint oil, £749 (£587); polishes and varnishes, £784 (£394); stationery, other than paper, £2,532 (£635); toys and games, £702 (£161); umbrellas and parasols, £504 (£180); wooden furniture, £1,209 (£187); spars and sweeps, £621 (£489).

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on August 17 regarding the wheat and flour situation in Australia as follows:

Australian wheat stocks at August 1 totalled 144,000,000 bushels. The rate of export of wheat and flour remains unchanged. Flour mills are working at a little over 90 per cent of capacity. Consumption of offals and wheat for stock foods is steadily increasing, due to drought conditions and to increased

agricultural production. Figures are not available yet as to acreage sown to wheat, but it probably will be a little under last season's acreage which was 8,300,000, and an unofficial estimate of the yield is 75,000,000 bushels as compared with 107,500,000 bushels last season. Good rains are very badly needed in the northern districts of Victoria and the southwestern part of New South Wales. There has been average rainfall in other parts of Australia.

PAPER-MAKING MATERIALS OF THE BRITISH EMPIRE

II. Use of New Materials

Regarding the possibilities of expansion of the existing industries and the utilization of new materials occurring in the Empire, there is every likelihood to expect that Scandinavia, where efficient re-afforestation schemes ensure the equilibrium between cutting and reproduction, will be able to continue more or less indefinitely the present rate of supply to the United Kingdom. The Canadian industry is, however, capable of further expansion.

Although shortage of paper-making materials is a fear that perennially seizes the paper world, no real grounds

for such an attitude with regard to the near future have been established. Nevertheless, it is sound policy to be prepared, and the possibilities of new and alternative materials for consumption in the United Kingdom should be considered, on economic and political grounds.

Whether or not the profitable marketing of a new material in the United Kingdom can be accomplished, there is, as already stated, a clear road for development in overseas countries which are placed at a long haul from Scan-

dinavia or North America, or the paper factories of the United Kingdom.

We can therefore decide that the utilization of new materials for pulp making should be considered throughout the Empire in the first place for local use, and, secondly, where conditions are favourable, for export to a suitable market.

In India, Australia, South Africa, and New Zealand the local demand for paper and paper board is large enough to maintain a home industry, but in the Colonies generally production of pulp for export is the only possibility.

There are many factors to be taken into account in considering the establishment of a new paper pulp industry, and these should receive the closest examination before a decision is made. Any material to be of value for pulp making must be available in large quantities.

A pulp mill, to be successful, must be conveniently situated in regard to the availability of supplies of chemicals and of fuel or electric power and, particularly, a good water supply must be available, since water in large quantity is essential in the manufacturing process.

Export of the raw material itself, although possible, would probably be ruled out by high freight, unless a consuming country were situated close at hand.

The new materials to be considered for utilization fall into three groups: (1) woods; (2) bamboos, grasses and reeds; (3) miscellaneous materials.

Woods

With regard to wood, wherever forests of soft wood, in sufficient quantity and of suitable positions occur, the establishment of a wood pulp industry presents no problem. Apart from North America, the British Empire forests contain no area of natural soft wood sufficiently large to support a pulping industry. But there are stands of hard wood trees and of resinous trees in Empire Countries extensive enough for commercial development, and to these materials attention of late years has

been directed, not only in the lands of the Empire, but in the United States, and Germany in particular.

SOFT VERSUS HARD WOODS

The hard woods, poplar and aspen, have been used in the United States for many years to a small extent, providing pulp of inferior strength, made by the soda process, which has been employed as a filler and for its property of imparting opacity and bulkiness to the paper. Whereas the fibre length of soft woods is about 3 mm., that of hard wood fibres is only half that figure.

Another disadvantage attending hard woods is the fact that, while the conifers may occur in relatively pure stands, that is to say, large areas of the forest are almost entirely spruce or balsam fir, the hard woods, broad-leaved deciduous trees, generally occur in very mixed forests, and in considering their utilization the number of the kind concerned, per acre of forest, and the trouble of removal, must be taken into account.

MIXED FORESTS

When we remember that tropical forests may contain a very large number of different kinds of trees to the acre, the purity of the stand when considering mixed forests is a very important factor. Large areas, entailing ever-increasing haulage distances, might be required to provide the tonnage necessary for the economic running of the mill, and might render the cost of collection prohibitive.

Another advantage which spruce possesses is the uniform character of the wood throughout the trunk and of the spring and summer growths, a property shared also by balsam fir and the two Canadian hemlocks, while in the broad-leaved trees the material from different situations in the trunk varies in density and character from the paper-making point of view, and some of the pines show seasonal variation.

UNIFORMITY OF RAW MATERIAL

The pulp manufacturer requires a supply of uniform raw material be-

cause the digestion process which he employs will be worked out in detail to suit a given material. If the material varies beyond certain limits, which are fairly narrow, the digestion conditions may be insufficient or too drastic, giving defective pulp on the one hand or loss of yield and waste on the other. It is, therefore, seldom found that the wood from different trees can be cooked together, and the question of separating the kinds in felling, transport, and treatment at the mill will have to be considered.

Progress with Hard and Resinous Woods

In spite of these drawbacks, great progress has been made in the employment of hard woods and resinous woods for paper production. In America, where hard wood species dominate the forests of the South, New England and the Lake States, birch, beech, maple, chestnut, cottonwood and gum, have in recent years been used in addition to aspen and poplar. In Germany the use of beech has been developed, more especially for rayon and staple fibre industries.

The relatively low cost of hard woods, on account of their higher density, makes their use attractive, and in the case of mechanical pulp this offsets the greater power consumption on grinding.

The utilization of pine wood, of which the world contains large forests, has appealed for notice, and the problem here is to overcome the objectionable content of resin. For this purpose the soda or sulphate processes with their alkaline action have been necessary, kraft pulps being produced. In recent years the sulphite process has been modified in its application to Jack pine, and this resinous wood is now employed for sulphite pulp in America and Canada, so far on a small scale.

These resinous pine woods have also been used in making mechanical pulp, but so far only on a limited scale commercially.

Although Canada is a land of plenty in respect of spruce forests, nevertheless there are vast forests of birch and maple in Eastern Canada, and hard

wood utilization is therefore of interest to the Dominion, if not to-day, perhaps to-morrow.

IMPORTANCE TO EMPIRE COUNTRIES

These recent advances in the production of pulp from hard woods and resinous woods is of great moment to Empire countries which have no soft wood forests of exploitable dimensions.

AUSTRALIA

In Australia we have already seen that the commercial production of mechanical pulp from a hard wood, a eucalyptus tree, has been achieved, and eucalyptus and *Pinus insignis* pulped by an alkaline process.

NEW ZEALAND

In New Zealand *Pinus insignis* is being used for the production of mechanical pulp, and is to be used for sulphite pulp, but New Zealand has other woods which have been shown to be suitable for paper making. Some fifteen different home-grown woods were investigated in the years following the last War, the question of the utilization of waste wood from the timber industry being concerned. Part of this work was carried out at the Imperial Institute, the following eight timbers being examined—four species of *Fagus* (Beech), *Pinus laricio* and *Pinus radiata*, *Weinmannia racemosa* and *Beilschmiedia tawa*; all these woods proved capable of yielding paper pulp of satisfactory quality. Work carried out at the Forest Products Laboratory, Wisconsin, with six New Zealand woods, showed, amongst other things, that a high-grade newsprint could be made with insignis-pine sulphite and tawa sulphite and groundwood.

SOUTH AFRICA

In South Africa thinnings in sufficient quantity are available from plantations of pine established primarily for timber supplies. Work at the Imperial Institute and in South Africa has shown that *Pinus patula* and *Pinus pinaster* are suitable for pulp production.

Another tree, *Eucalyptus saligna*, has been extensively planted in recent

years in the Transvaal and Zululand for the provision of mining timber, and laboratory trials have shown the young wood to yield a short-fibred pulp of satisfactory quality, which might be considered for pulp manufacture. A sound line of development in South Africa would appear to be the pulping of surplus plantation timber, provided the site in the forest area fulfils the requirements for a pulp mill and is within economic distance of the paper mill. The radius of distribution of the latter would obviously have a profitable limit.

Use of Mixed Forests

Another aspect of wood utilization is presented by the mixed forests of British Guiana, British Honduras, Trinidad, Nigeria and Rhodesia. A great number of woods, both hard and soft, have been examined at the Imperial Institute from these forests, and many of them were found to give pulps of varying character suitable for paper making. For such sources of pulp it is very important to consider the market to which the product will be sent, and the competition it will have to meet.

An essential to calculating the possibilities of running a pulp mill on the produce of any given forest area is a survey of that forest, which generally is a long and expensive piece of work, and in very few instances has yet been thoroughly carried out. It is obviously unwise to sink capital in the erection of pulping mills, if it has not been definitely ascertained that within economic transport distances the forest contains sufficient trees of the kind required to keep the mill supplied continuously. In this connection, the possibilities of regeneration must be taken into account, and the cycle of reproduction and cutting, which may be fifteen, thirty or sixty years, worked out.

Wood Is Most Economic Material

It cannot be emphasized too strongly that the setting up of a pulp mill, with the large amount of capital required, needs very careful calculation and fore-

thought, and although the raw material may be excellent for paper making, many other conditions must be fulfilled before the enterprise has a chance of success. Nevertheless, of all the materials capable of yielding paper pulp, wood is the most economic one for the bulk of the requirements, since per acre it yields the greatest weight of pulp.

There is no likelihood in the near future of supplies of pulp from these Colonial sources successfully competing on the United Kingdom market with the Scandinavian products, and the production of pulp for other markets is problematical.

On the other hand, as already stated, the line of development for Australia, New Zealand and South Africa, in producing paper pulp from home-grown trees to supply the local paper and board requirements, has encouraging prospects.

Bamboos, Grasses and Reeds

India, as we have seen, has led the way in using bamboo on a commercial scale, and her pulp industry based on this raw material is well established, thanks to the work of Raitt in demonstrating how bamboos could be profitably converted by a fractional digestion method to good quality pulp. At the Imperial Institute bamboos from East Africa, the West Indies, Malaya and other places have been investigated and shown to be technically suitable for pulp production.

In Trinidad a small mill was established, running on local bamboos, and has operated intermittently.

Bamboos

Bamboos constitute an attractive source of paper pulp which is suitable for high-class book and writing papers, and for mixing with other types of pulp. Recently it has been shown in India that this material can be employed for the production of kraft wrapping papers. The establishment of mills running on bamboo has to be viewed in the light of competition with wood pulp, and, apart from India,

where they operate under a tariff protection, such mills have not come into operation.

Raitt's review of the possibilities of producing pulp from the extensive resources of bamboo in Burma has pointed out the prospects of that country as a source of pulp for export.

RAPID RATE OF GROWTH

One feature of advantage in respect of bamboos is their quick rate of growth and regeneration. They can be cut every four years for the pulp mill. This might be given consideration when planning the exploitation of a tropical forest for pulp production. Certain cut-over areas might be brought into quick bearing again with bamboo.

Grasses and Reeds

Many of the grasses and reeds from South Africa, Nigeria and other Empire countries have been examined at the Institute as paper-making materials, including Lalang (*Imperata arandina-cea*), Spanish Reed (*Arundo donax*), Tambookie Grass (*Cymbopogon*, spp.), Johnson Grass (*Sorghum halepense*), Elephant Grass (*Pennisetum purpureum*), Norfolk Reeds (*Phragmites communis*), and many others.

Many of the grasses referred to are capable of yielding pulp of satisfactory properties for use in the paper and board industry, but their application on a commercial scale is in general economically unsound, except under special conditions.

Arundo donax is, however, employed in Italy on a relatively small scale for the production of high alpha-cellulose pulps.

In India sabai grass is used in the paper-making industry, but the available supplies were not large enough to support a major expansion of the pulp industry, for which purpose bamboo was chosen.

YIELDS PER ACRE BELOW FORESTS

The stands of these wild grasses, although very often extensive, are seldom large enough to maintain a mill in operation, since the yield of material

per acre is much less than that of forest trees, even taken over a long period of years. Thus, the areas of growth are relatively large and collection from long distances is necessary.

Further, the wild stands of growth may be mixed. The question of cultivating a suitable grass on a plantation scale arises, but apart from sabai grass, the extent to which these grasses will stand repeated cropping does not appear to have been ascertained, and the prospects of such enterprise being financially successful in competition with the existing world sources of pulp have so far not looked promising.

The employment of straw, produced as a secondary product in the growing of a food crop, is a different problem.

USE OF STRAW

During the War the esparto industry of Great Britain has been converted to the use of straw, and large quantities of bleached paper have been made from this material. To a lesser extent, straw has also been employed for unbleached papers and for board manufacture.

Paper-makers in this country have, therefore, gained considerable experience in the technique of handling and processing straw; new processes have been developed and investigated, and paper-making engineers have gained knowledge, which, if the need arises, should be of the greatest value in designing new plant specifically for dealing with straw. There are, however, technical limitations to the applications of straw. In strength it cannot equal chemical wood pulps and for printing papers it is inferior to esparto.

To what extent the utilization of straw by the paper industry of the United Kingdom will continue after the war on any important scale is a controversial question on which it is not proposed to speculate. Obviously, the position will in large measure depend upon the country's post-war agricultural and economic policy.

In the Dominions, possibilities for the utilization of straw also exist; and if conditions are such as to afford prospects of economic success and favour-

able mill sites are available, the experience gained in the United Kingdom may find successful application.

Miscellaneous Materials

NETTLES

Since the war the possibility of employing nettles for paper-making has received a certain amount of publicity. It is, however, very difficult to believe that such a project could ever be an economic success, and, in fact, this material has not found commercial utilization. The yield per acre is low, and as distinct from straw, which is an agricultural by-product, the plant would have to be cultivated essentially for paper-making. Furthermore, although nettle stems contain a percentage of long bast fibres, these fibres are associated with the very short ultimates of the woody portion of the stem, and the difficulty arises of satisfactory pulping a material composed of two dissimilar fractions. On both technical and economic grounds it is, therefore, not to be anticipated that this material will become of any importance to the paper-making industry.

PREPARED FIBRE

Another type of material, for which there is a limited and relatively very small demand for specialized purposes, is prepared fibre. The industry already uses manila and hemp fibre in the form of old ropes, and recently Yawa fibre has been under consideration.

Yawa fibre is produced from the flowering stalks of the legume *Vigna sinensis* var. *textilis* in Nigeria, and is used for making fishing nets.

Following initial experiments carried out at the Imperial Institute on this

interesting fibre, more elaborate investigations were organized by the Ministry of Supply, and mill trials were also carried out. The general conclusion reached is that Yawa fibre is the best known substitute for true manila hemp. Paper obtained from Yawa fibre can equal manila in tearing and folding strength, and approach it in tensile strength. Moreover, the yield is satisfactory and the fibre runs well on the machine.

Unfortunately, although technically a very desirable material, Yawa has proved too expensive to find application in the paper-making industry.

INDUSTRIAL WASTES

Attention has often been paid at the Imperial Institute and elsewhere to the value, for paper pulp production, of industrial wastes other than those arising from the textiles and cordage industries, the use of which is well established. Such materials have not provided sources of sufficient quality or in economic quantity to be worth commercial development, except in the case of spent sugar cane, which has been applied commercially, not for paper pulp but for the manufacture of its sister product—building board.

MEXICO'S TIMBER RESOURCES

Estimates of Mexico's standing timber vary from 53,000,000,000 to 97,000,000,000 board feet and place the area in potential commercial forests at about 50,000,000 acres. Generally the forest cover is light. The average annual lumber cut, as indicated by available statistics, is in the neighbourhood of a billion board feet.

SHIPMENTS TO JAMAICA

The Canadian representative of the Imports, Exports and Prices Board of Jamaica advises that shipping space is likely to be available for all classes of commodities. The Jamaican authorities have requested all importers to submit complete lists of outstanding orders. Canadian exporters having goods ready for shipment and having

received the necessary export permits are urged to apply for shipping space without delay. Applications may be addressed to Messrs. Drew, Brown Limited, Jamaican Government Representatives, 530 Mountain Street, Montreal, or to the B.W.I. Shipping Division, Department of Trade and Commerce, Ottawa.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 99, effective August 19, 1944, live pigeons, included in Group 2 (Animals and Animal Products), are henceforth exempted from the requirement of an export permit when shipped from Canada.

ADDITIONAL COMMODITIES AFFECTED

By Order in Council P.C. 6024 of August 8, 1944, effective August 14, 1944, books, other than those consigned to the armed forces, are added to the list of commodities the exportation of which is prohibited except under permit issued by or on behalf of the Minister of Trade and Commerce.

TRADE REGULATIONS AND TARIFF CHANGES

Cuba

ABROGATION OF DUTY-FREE ENTRY OF CERTAIN FOODSTUFFS

With reference to the article in *Commercial Intelligence Journal* No. 2112 (July 22, 1944), page 76, regarding two Cuban decrees providing for duty-free entry into Cuba of certain quantities of foodstuffs, Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, writes that these two decrees were abrogated by a decree published July 21, 1944.

Colombia

UNLIMITED QUOTAS FOR THE IMPORTATION OF WHEAT

Mr. M. T. Stewart, Canadian Trade Commissioner at Bogota, writes under date August 8, 1944, that the Colombian Government issued yesterday a Decree repealing Article 1 of Law 42, whereby the importations of wheat were limited to 16,000,000 kilos.

Under the new Decree, the quota for importation of wheat is unlimited. The measure was adopted in view of the acute scarcity of this grain in the country, which has forced several millers to close down. Future importa-

tions will be made in accordance with the requirements of national consumption.

Mexico

REDUCTION OF REGISTRATION FEE

Mr. C. S. Bissett, Canadian Commercial Secretary at Mexico City, advises that, by a decree effective August 11, 1944, the registration fee on patent medicines, pharmaceutical, toilet and beauty products, foodstuffs, and beverages, under Mexican health regulations, has been reduced from 200 pesos to 20 pesos per product. The reduced rate, which is the fee chargeable on goods produced in Mexico, applies to all countries. The decree also extends the renewal period from two to five years. (Articles on the Mexican requirements for the registration of foodstuffs and beverages were published in *Commercial Intelligence Journal* No. 1940 (April 5, 1941), page 426, and of patent medicines, pharmaceutical, toilet and beauty preparations in *Commercial Intelligence Journal* No. 2057 (July 3, 1943), page 18. Reprints of these articles are available on application to the Department of Trade and Commerce, Ottawa.)

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended June 30, 1944 (Nos. 2083 to 2108 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference and to preserve them, with the Index, in bound volumes or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to July 29, 1944:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to July 29, 1944	
		per calendar year		Quantity	Per Cent
Whole milk.	Gal.	3,000,000	6½ to 3¼c. per gal.	3,078	....
Cream	Gal.	1,500,000	56% to 28¾c. per gal.	553	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.	Lb.	18,210,658	2½ to 1½c. per lb.	15,536,925†	85.3
Seed potatoes	Bu.	1,500,000	75 to 37½c. per 100 lb.	1,072,771	71.5
White or Irish potatoes, other than seed potatoes.	Bu.	1,000,000	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	574,629	57.4
Red cedar shingles.	Sq.	2,153,984	Free	839,472	38.9
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins.	No.	100,000	50 to 35% ad val.	40,270†	40.2
Tails.	Piece	5,000	50 to 35% ad val.	2	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries, and for the period May 1 to July 29, 1944, imports totalled 12,588. However, there is no indication in the statement by Treasury Department as to what proportion of these imports were supplied by Canada.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas		Imports May 29 to July 29, 1944	
	Wheat Bu.	Wheat Flour and other Products Lb.	Wheat Bu.	Wheat Flour and other Products Lb.
Canada	795,000	3,815,000	795,000	11,627
Other countries	5,000	185,000	Nil	Nil

EXCHANGE CONDITIONS IN BRAZIL

By L. S. GLASS, *Canadian Commercial Attaché at Rio de Janeiro*

Exchange for commercial requirements in Brazil continues to be in plentiful supply with exchange rates firm at 19,63 cruzeiros selling and 19,47 cruzeiros buying for United States dollars, and for Canadian dollars 17,66 cruzeiros selling and 17,52 cruzeiros buying.

Exchange has also been available for the remittance of profits and dividends, and during the first six months of the

year these remittances were of considerable importance.

Brazil continues to operate on a substantial favourable balance of trade, representing an accumulation of foreign exchange. The government has been constantly purchasing gold, which is held by the Bank of Brazil, and now represents 46½ per cent gold backing for the cruzeiro, being a total of some \$276,000,000. Trade balances are estimated to be more than \$150,000,000.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 21, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 21, 1944, and for the week ending Monday, August 14, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending August 14	Nominal Quotations in Montreal Week ending August 21	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies... Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2764	.2755	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

French North Africa

YVES LAMONTAGNE, Economic Adviser, Office of the Representative of Canada to the French Committee of National Liberation, 48 boul. Saint-Saens, Algiers, French North Africa. Address for letters (at domestic rates)—Canadian Mission, Algiers, c/o D.P.S., Ottawa. *Cable address, Stadacona.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1 (Territory includes the South of England and East Anglia). *Cable address, Sleighing London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: L. H. AUSMAN, Acting Trade Commissioner. British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

Issued Every Saturday by the Department of Trade and Commerce

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CANADA LIVES BY EXPORTS

By HON. JAMES A. MACKINNON, *Minister of Trade and Commerce*

"As a self-contained trading unit Canada would slip back into peasantry. Her whole future depends upon exports."*

This quotation is from an article in a recent issue of one of the oldest Canadian business magazines—a periodical whose record of publication goes back to 1867. Chosen almost at random, it is typical of statements that might be quoted from dozens of articles on post-war business that have been appearing in the last few months in different Canadian publications.

These articles—most of them concerned with exploring the problems that are looming up in connection with Canada's immediate commercial future—are a sign of the times. They are a good sign, for they signify that people are looking ahead. There is no suggestion in them that Canadian thinking has turned away from the winning of the war. But they contain a clear indication of realization by Canadians that conditions have been created during the war years which make it more imperative than ever that forehanded study be given to what lies ahead of us.

A large part of Canada's normal pre-war export trade has gone in these war years. For various reasons that has been inevitable. Our energies have been concentrated primarily on production for war purposes. Some of the export markets that we customarily served have been cut off by enemy occupation. In most of the markets that remain open to us, imports from Canada of many classes of goods have had to be reduced because of shortage of shipping, to conserve dollar funds for more urgent needs of those countries, or for other equally good reasons. Quite apart from this narrowing of markets, we have been short of many materials that we normally export and have had to take the initiative ourselves in limiting exports. Thus, in one way or another, a large share of Canada's normal pre-war export business has become a war casualty.

What we have lost, of course, has been more than replaced. The war-

*The *Monetary Times* of May, 1944, article by C. J. Osson, page 33.

time gains in exports exceed the losses many times over, so that we have now a gigantic new volume of exports. This new wartime export trade—if we can correctly call it a “trade”—is highly abnormal. We must look upon it as being in large degree temporary. It is made up partly of war munitions of every description, and partly of shipments of food and other supplies—the latter running into quantities vastly greater in some lines than we have ever been called upon to furnish under ordinary commercial conditions.

Adding together the new and the old that has been retained, we have now a total export trade that has been running for some time at a level of roundly three billion dollars a year. It will help us to appreciate the size of this trade if we recollect that in the twenty years from 1919 to 1939 there was not a single year when the value of Canada's exports reached or even closely approached one-half of that figure. In 1939, including some wartime business, it amounted to just 925 million dollars.

All Canadians may well be proud of the extent to which this country to-day is shipping goods abroad, for the volume of our exports is one of the best indicators of the power of Canada's economic “punch” in the prosecution of the war. Nevertheless, if we are to keep our feet on the ground, we must not lose sight of the fact that 75 to 80 per cent of our present exports belongs in the category of wartime business, and only 20 to 25 per cent in the category of regular peacetime commercial exports. These figures may not be strictly accurate, but whatever margin of error they contain will not affect their broad significance.

When the war is ended our export trade will have to be swung back as rapidly as possible to a hundred-per-cent peacetime basis. *This will be the biggest commercial task in Canada's history.* If the proportions of our present export business represented by wartime and peacetime exports were reversed, the process of conversion would loom up less formidably. Taking them as they are, the magnitude and the importance of the job that lies ahead can hardly be exaggerated.

There are many who believe that too great reliance has been placed in the past upon the search and the competition for export markets, and that individual nations must put greater dependence in future upon domestic policies to maintain employment and prosperity. Granted that great progress may be made in that direction, the fact remains that external trade must continue to be an important constituent in the economic welfare of most countries.

Canada is one of the younger countries, whose development has been based to an unusual extent upon export markets. Whole regions of the Dominion and many of its major industries have always depended, and still depend upon exports for their prosperity. Years hence their reliance upon exports may be much less than it is to-day. But the immediate prospect—the prospect for as far ahead as most of us are able to see—is that many sections of Canada and many of the greater Canadian industries must continue to live by exports.

For these reasons, and because of the magnitude of the problem Canada will have to meet in converting her wartime export business to a peacetime basis, I believe that the *Commercial Intelligence Journal* can serve a highly useful purpose in presenting to its readers—who are chiefly persons interested in export trade—the series of articles, beginning in this issue, on leading Canadian export commodities and on industries mainly or largely dependent on export markets. These articles will review the origin and development of trade in the leading export commodities, the origin and growth of export industries, and examine the way in which wartime conditions have affected their marketing outlets. I feel that they should be of timely value, as well as interest, in indicating both the position from which Canada will start when entering upon the rebuilding of her export business entirely upon a peacetime basis and the commercial adjustments that will have to be made following the conclusion of the war.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

I. CANADA'S WHEAT

By J. McANSH, *Grain Statistician, Dominion Bureau of Statistics*

History of Wheat Growing

The growing of wheat in Canada can be traced back approximately 340 years. A French settlement in the Maritimes is reputed to have grown wheat in 1605 and in 1616 Champlain writes of a fine sample of wheat being cut at Quebec for shipment to France.

EARLY EXPORTS

In the middle of the eighteenth century, Canada was actually exporting wheat, shipments in 1754 amounting to 80,000 bushels. Newfoundland and the French West Indies were the principal markets in which the wheat was then sold, but in 1770 export shipments to Great Britain were recorded.

The records of 1802 show that between April 5 and July 5 of that year some 29 vessels cleared from the port of Quebec with wheat. Of this number six sailed for Barcelona, five for Hull, three for Cork, three for "Cork and a market", two each for Halifax, Bristol and Liverpool, and one each for Greenock, Cadiz, Sunderland, Newfoundland, Jersey, Madeira and Leghorn.

But it was not until later in the nineteenth century, when Western Canada went into the production of wheat, that the type known in world markets as "Manitobas" put the hallmark of quality on Canadian wheat which the Prairie Provinces to-day still jealously guard.

RED RIVER SETTLEMENT

The Lord Selkirk settlers who came from Scotland to the Red River valley in 1812 first introduced wheat growing to the western provinces, and it was in the Province of Manitoba that the strong hard wheat for which Canada has become famous first made its appearance.

Failures, plagues of mice and grasshoppers, and floods in turn destroyed the crops of the early colonists and in 1868-69 wheat for seed had to be brought in from the United States.

It is believed that among this wheat was the seed from which the famous "Red Fife" type was grown. From this wheat Dr. Saunders produced, between 1904 and 1909, the celebrated "Marquis" type upon which Canada has built a world-wide reputation for quality wheat, unsurpassed to-day in any producing country.

FIRST SHIPMENT FROM WEST

The first shipment of this superior wheat of the western plains, direct to Great Britain, was made in 1877. It was consigned by Robert Gerrie to Barclay and Brand, Scotland, and went out by Red River steamer to St. Paul, thence by rail to seaboard.

Seven years later, with the completion of the Canadian Pacific Railway in 1884 as far west as Moose Jaw, the first shipment of Western Canada wheat to Britain by the all-Canada route was made by the late Thomas Thompson of Thompson & Sons, Brandon, Manitoba.

This shipment consisted of 1,000 bushels of Manitoba No. 1 Hard. It was sacked and shipped by rail and water to seaboard. Exactly 21 days after the movement of the wheat commenced from Brandon, it was landed on the docks at Glasgow. By this shipment the "all-Canada export route" was established.

So much for the beginnings and early history of wheat growing in Canada. We come now to the era of rapid development, not only of the area sown to wheat, but of transportation and handling facilities which enabled Canadian wheat to spread itself around the world, and find markets in almost every corner of the globe.

Methods of Marketing

Methods of handling and marketing Canadian wheat took shape with the formation of the Winnipeg Grain Exchange in 1908 and the legislation which established the Canada Grain Act in 1912. The Winnipeg Grain Exchange, a voluntary association,

defines one of its objectives in the constitution of 1908 as follows: "To organize, establish, and maintain an association not for pecuniary profit or gain, but for the purpose of promoting objects and measures for the advancement of trade and commerce respecting the grain trade for the general benefit of the Dominion of Canada". This organization established what is known as the "futures market" with headquarters in Winnipeg. There had previously existed an organization known as the Winnipeg Grain and Produce Exchange which came into being in 1887.

GRADING SYSTEM

The erection of country elevators and terminal storage warehouses developed with the expansion of the grain-growing business in Western Canada in the early part of the twentieth century, and in 1912 the Canada Grain Act was enacted, by which was established a grading system for Canadian wheat and the issuing of Government certificates as a guarantee of quality. Buyers of wheat in Europe made their purchases from countries like Argentina, Australia and India on the basis of f.a.q. (fair average quality), while from other countries they bought on a "sample" basis; but in the case of Canadian wheat they bought on the Canadian Government "certificate final". The grain is inspected by Federal grain inspectors and graded according to the terms of the Canada Grain Act, while terminal and other elevators also come under the supervision of the Board of Grain Commissioners set up to administer the Canada Grain Act.

RESEARCH

The Grain Research Laboratory, established by the Board of Grain Commissioners, collaborates with the Inspection Department and has made a very valuable contribution to the maintenance of high quality in Canadian wheat. The Laboratory has conducted over a period of years annual surveys of the protein content of Western Canadian wheat, and has published informative bulletins and

maps each year. It also conducts baking tests with flour milled from Canadian wheat and issues annually a report dealing with the baking quality of the Prairie wheat crop.

WHEAT POOLS

A challenge to the marketing system established by the Winnipeg Grain Exchange came in 1923 when farmers in the Prairie Provinces began to organize co-operatives. The first of these organizations, known as the Alberta Wheat Pool, came into being in the fall of that year. This body commenced operations on October 29, 1923, with a membership of nearly 26,000 and with 2,500,000 acres of wheat under contract. Then followed the organization of similar bodies in Saskatchewan and Manitoba, but it was not until the fall of 1924 that the Saskatchewan and Manitoba wheat pools began to handle wheat.

With the three wheat pools in operation in the Prairie Provinces it was decided to establish a central selling agency, which would undertake the disposition of wheat delivered by members to their respective provincial organizations. The central selling agency was established in Winnipeg in the fall of 1924, and in the succeeding years the wheat pool organizations handled wheat on the basis of an initial payment to the growers, which was decided upon each year, plus interim payments as the grain was disposed of on world markets. The pool organizations operated largely on the basis of direct sales to buyers abroad, preferring to by-pass the machinery of the futures market and the hedging facilities of this market. A general collapse of prices in the fall of 1929 ran the wheat pools into financial difficulties, and the provincial governments had to provide a backing, which the pools have been repaying with interest.

PRICE STABILIZATION

The fall in wheat prices continued through 1930, and it became necessary in November of that year for the Federal Government to undertake stabilization operations. These were

continued until 1935, when the Canadian Wheat Board Act was passed, and a three-man board established for the purpose of stabilizing the price of wheat by offering a fixed price to growers. This was substituted for the former method of stabilizing through purchases on the futures market. In the meantime, the central selling agency of the wheat pools had closed down its foreign offices, and the pools' operations were confined largely to the handling of their members' grain at country elevators and the large terminals which had been erected at Fort William-Port Arthur and on the Pacific Coast.

The creation of the Wheat Board in 1935 did not interfere with futures trading on the Winnipeg Grain Exchange as had the Board of Grain Supervisors established by the Dominion Government in 1917 and the first Canadian Wheat Board established in 1919. The Boards of the first World War period had been established in an effort to halt the rise in wheat prices, and it was found advisable at that time to close the futures market at Winnipeg; but under the terms of the Wheat Board Act of 1935 the new Board was authorized to use regular trade channels in the course of its wheat-handling operations.

WARTIME CONTROL

It was not until September of 1943 that it became necessary to close the futures market at Winnipeg and place

full authority in the hands of the Canadian Wheat Board for the marketing of the Western Canadian wheat crop. The Federal Government at that time established a fixed initial price of \$1.25 per bushel for No. 1 Northern wheat in store Fort William-Port Arthur or Vancouver. The Canadian Wheat Board was empowered to take over all stocks of cash wheat, and futures trades were ordered to be closed out at the closing price ruling on the Winnipeg Grain Exchange on September 27, 1943.

Acreage Expansion

It was during the first World War that acreage and production of wheat in Canada expanded most rapidly, particularly in the three Prairie Provinces. The wheat acreage in 1914 in Canada was just over 10,000,000 acres, but in 1919 it exceeded 19,000,000 acres. The production in Canada of 393,000,000 bushels in 1915 saw the Prairie Provinces produce an average yield of 26 bushels of wheat to the acre, a record which still stands.

Acreage continued to expand in the period between the two Great Wars and reached the highest point on record during the first year of World War II, when 28,726,000 acres were seeded to wheat in Canada, and all but 1,000,000 acres of this in the three Prairie Provinces. The accompanying table shows the trend of wheat acreage during the thirty-six years from 1908 to 1943.

Acreage and Production of Wheat, 1908-1943

	Canada Acres	Prairie Provinces Acres	Canada Bushels	Prairie Provinces Bushels
1908..	6,610,000	5,624,000	112,434,000	91,853,000
1909..	7,750,000	6,878,000	166,744,000	147,482,000
1910..	8,865,000	7,867,000	132,078,000	110,167,000
1911..	11,096,000	9,991,000	231,237,000	208,697,000
1912..	10,997,000	10,011,000	224,159,000	204,280,000
1913..	11,015,000	10,036,000	231,717,000	209,262,000
1914..	10,294,000	9,335,000	161,280,000	140,958,000
1915..	15,109,000	13,867,000	393,543,000	360,187,000
1916..	15,370,000	14,363,000	262,781,000	242,314,000
1917..	14,756,000	13,619,000	233,743,000	211,953,000
1918..	17,354,000	16,125,000	189,075,000	164,436,000
1919..	19,126,000	17,750,000	193,260,000	165,544,000
1920..	18,232,000	16,841,000	263,189,000	234,138,000
1921..	23,261,000	22,181,000	300,858,000	280,098,000
1922..	22,423,000	21,224,000	399,786,000	375,194,000
1923..	21,886,000	20,880,000	474,199,000	452,260,000
1924..	22,056,000	21,066,000	262,097,000	235,694,000
1925..	20,790,000	19,760,000	395,475,000	367,058,000

Acreage and Production of Wheat, 1908-1943—Con.

	Canada Acres	Prairie Provinces Acres	Canada Bushels	Prairie Provinces Bushels
1926	22,896,000	21,805,000	407,136,000	380,765,000
1927	22,460,000	21,425,000	479,665,000	454,559,000
1928	24,119,000	23,159,000	566,726,000	544,598,000
1929	25,255,000	24,297,000	304,520,000	281,664,000
1930	24,898,000	23,960,000	420,672,000	397,300,000
1931	26,355,000	25,586,000	321,325,000	301,181,000
1932	27,182,000	26,395,000	443,061,000	422,947,000
1933	25,991,000	25,177,000	281,892,000	263,004,000
1934	23,985,000	23,296,000	275,849,000	263,800,000
1935	24,116,000	23,293,000	281,935,000	264,096,000
1936	25,605,000	24,838,000	219,218,000	202,000,000
1937	25,570,000	24,599,000	180,210,000	156,800,000
1938	25,931,000	24,946,000	360,010,000	336,000,000
1939	26,757,000	25,813,000	520,623,000	494,000,000
1940	28,726,000	27,750,000	540,190,000	513,800,000
1941	21,882,000	21,140,000	314,825,000	296,000,000
1942	21,586,000	20,653,000	556,684,000	529,000,000
1943	17,488,000	16,729,000	293,660,000*	277,000,000*

* Third estimate.

Wheat Trade Between Wars

International trade in wheat witnessed its greatest expansion during the ten years after World War I. Net world exports of wheat and wheat flour in the five years 1909-14 had averaged 686,000,000 bushels annually, but in the five years 1922-27 this annual average rose to 777,000,000 bushels and during the crop year 1928-29 the all-time record of 946,000,000 bushels was reached. These figures are taken from a statistical record compiled by the Wheat Advisory Committee in London, England.

Canada's share of the world market rose steadily during this post-war period and almost 43 per cent, or 406,000,000 bushels, of the record total shipped in the crop year 1928-29 consisted of Canadian wheat and wheat flour. Europe had not yet recovered from the devastation of the 1914-18 war and the wheat surplus-producing countries of the world enjoyed a very liberal trade in foodstuffs.

NATIONALISTIC POLICIES

Nationalistic policies began to emerge in the late twenties, however, and when the depression era arrived in 1929-30 and reached its depth in 1932-33 there existed in many European countries tariffs and other obstacles to trade in wheat, while national policies were mostly in the direction of subsidizing wheat production at home. This resulted in con-

traction of the market for Canadian and other wheat from overseas, and in 1935-36 the total net exports of wheat and flour in the international market shrank to 525,000,000 bushels.

Trade began to pick up again in 1938-39 when fears of a second European war were developing and a number of countries began to lay in reserve stocks. Net exports of wheat and flour in that year totalled about 643,000,000 bushels and held close to that level in 1939-40, the first year of World War II. Thereafter, with most of Europe occupied by the Nazis, international trade dwindled rapidly and was estimated at only 360,000,000 bushels in the crop year 1942-43, of which Canada furnished 215,000,000 bushels or about 60 per cent.

SURPLUS PROBLEM

A period of severe drought in North America in the early thirties brought about changes in the sources of wheat supplies. The United States changed from a heavy exporter of wheat to a net importer for several years, but Australia and Argentina, and for a short period Russia, became strong competitors of Canada in the world market. The United States returned as an exporter of wheat in volume in the two years preceding the outbreak of the second world war and in that period all four of the major exporting countries found themselves with growing surpluses despite the fact that Canada had practically cleaned out all

her surplus wheat by the middle of 1938, following a crop failure in 1937.

The growing wheat surplus, produced by the shrinking world trade and continuance of heavy production in the major exporting countries, had created an international problem of magnitude and discussions on an International Wheat Agreement took place in London, England, during the first eight months of 1939. These discussions were halted by the outbreak of war on September 1, but a resumption of wheat agreement talks took place in Washington in 1941 between the representatives of the four major wheat exporting countries and representatives of the United Kingdom Government. These talks culminated in the signing of a Memorandum of Agreement on June 27, 1942, which was approved by the Governments of Argentina, Australia, Canada, the United Kingdom, and the United States, effective on that date.

Conditions in Present War

The second world war produced many changes in the wheat situation. Stocks of surplus wheat were heavy in the fall of 1939, but for the greater part of the first year of war international movement of wheat was on a fairly liberal scale. The invasion of Norway, Denmark and the Low Countries in the spring of 1940, and later the conquest of France, eliminated markets to which Canadian wheat had been sold in substantial quantities prior to the war, but this was offset by larger exports to Great Britain.

The shipping situation had greatly curtailed the movement of wheat from Australia and Argentina, and the entry of Japan into the war further aggravated Australia's position as a wheat exporter. As a result, Canada became the principal source of supplies, particularly for the United Kingdom market, and continued in that role into the fifth year of the war.

ACREAGE REDUCTION IN CANADA

The first major change in wartime wheat policy in Canada was made in

1941, when the Dominion Government encouraged a reduction in the acreage seeded to wheat by direct payments to farmers. The growing demand for Canada to supply live stock and live-stock products was largely responsible for the shift away from wheat to the production of feed grains. The existing reserve stocks of wheat were large enough to permit of a drastic reduction in wheat acreage and Canadian farmers responded to the new policy by reducing the acreage planted to wheat in 1941 by nearly 7,000,000 acres. Continuation of these payments into 1943 saw the wheat acreage in Canada fall to its lowest level since 1918, but in 1944, when acreage reduction payments were discontinued, a sharp increase in wheat acreage took place.

RISE IN DEMAND

The crop year 1943-44 witnessed a phenomenal use of wheat for live-stock feed, particularly in the United States where feed grain supplies were insufficient to maintain the greatly increased live-stock population. It became necessary to substitute wheat for corn and other feed grains, and eventually Canada had to ship very large quantities of wheat to the United States for use there as live-stock feed. At the same time the use of wheat for animal feed in Canada also increased to a record level of more than 100,000,000 bushels. Preliminary figures for the twelve months ending July 31, 1944, indicate that a total of 570,000,000 bushels of wheat was fed to live stock and poultry in North America or about the same quantity as required to feed the human population. Substantial quantities of wheat were also used for the production of industrial alcohol in both the United States and Canada.

Canada's volume of wheat exports has not suffered during the five years of war. The total exports of wheat and flour in this period actually show an increase of about 35 per cent over the five years immediately preceding the war, but the distribution of these exports has changed radically in the war period for reasons already mentioned.

RESEARCH ORGANIZATION FOR UNITED KINGDOM EXPORTERS

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

Discussions have been taking place for some time in the United Kingdom under the direction of the Advertising Association (the central organization of advertising agents) to consider in what manner the results of technical knowledge and experience of the advertising profession can be applied to assist in the re-creation, development and expansion of United Kingdom trade overseas after the war. The two spheres in which those engaged in the advertising profession feel they are qualified to assist are in market and consumer research and in the conduct of advertising campaigns abroad.

As a result it is proposed to endeavour to create an Export Research Association on the following lines:—

- (a) It should be a joint enterprise on the part of British industrialists and British advertising agents.
- (b) It should provide adequate contact with, and service in, every part of the world in which any kind of trading facilities exist or can be created.
- (c) After establishment it should be self-supporting but non-profit making.

It is felt that if these conditions are fulfilled, the Export Research Association should be able to achieve the foregoing aims of efficiency with a world-wide scope at a reasonable cost.

Plan for Constitution

It is suggested that the Association should be registered as a non-profit distributing concern under Board of Trade licence. Membership would be open to United Kingdom industrialists (including in that term manufacturers, merchants and all types of traders) and advertising agents. The Council of the Association would be composed of representative industrialists and advertising agents. Members would be in two classes: Founder Members, who would guarantee £500 a year for

the first three years of the existence of the Association; and Ordinary Members, whose annual subscription would be £100. Founder Members would have the right to nominate the first members on the Council. It is stated that a number of advertising agents have already come forward as Founder and Ordinary Members and have deposited sums on account of their respective subscriptions.

Functions of the Association

The prime function of the Association would be to carry out in any part of the world such market and consumer research as might be demanded of it. It is anticipated that the structure of the organization, as above defined, would lead to a considerable degree of efficiency, owing to the continual co-operation between its two types of members, industrialists and traders on the one hand and advertising agents on the other. The Association would aim to provide manufacturers with a readily acceptable means of discovering the exact consumer position regarding their products or commodities, and the conditions under which they sell, in any overseas market. Its service would embrace all that information essential to effective marketing, such as suitability of design and presentation in terms of quality, material, appearance, and function; local methods of usage; price structures; brand names; extent and acceptance of competing products; local customs and prejudices; and other conditions bearing on the intrinsic features of an individual product or range of products.

Essentially the task of the Association would be to provide the means for ascertaining scientifically facts which are unknown and cannot be known by any other method. The Association would not propose to utilize the complex machinery of modern research—contact requirements, questionnaires, investigation

squads, routing, inspection, verification, statistical tabulation, assessment and report—in order to reply to a question which could be answered quite satisfactorily by a government department or by such organizations as the Federation of British Industries or the Chambers of Commerce. Not only would the Association wish to avoid duplication of work, it would welcome every opportunity of co-operating with any department or organization which had also for its aim the promotion of United Kingdom trade overseas. Its own primary object would be to supply a particular service of a highly specialized type.

Organization in Overseas Markets

But, while the Association would not wish to duplicate information or advice readily available elsewhere, and although it would always regard market and consumer research as its main and vital function, it would endeavour eventually to provide in every territory abroad a branch or associate which the United Kingdom trader could visit or to which he could refer in the same way as he would visit or refer to a local office of his own. The Association would ensure that the personnel of each of its branches or associates maintained the closest touch with the local market, so that, although the branch or associate would not attempt to supply general or statistical information available elsewhere, it would be in a position continuously to provide live information concerning actual trading conditions. The promoters of the scheme state that no local organization devoted to the carrying out of market and consumer research could fail to obtain that "sense" of the market which is so necessary if the right approach is to be made to local trading and local traders, and the Association would consider it an essential part of its service to transmit that "sense" to its members.

Further, the Association would not confine itself to a passive acceptance and execution of orders for research; it would be alert to find new oppor-

tunities for the expansion of British trade and to bring these to the notice of members through a regular system of reports.

It is contemplated also that the Association would publish periodically a bulletin which would deal with subjects of interest to members, would keep them up to date on the general aspects of overseas trade, and from time to time would discuss certain special features of that trade.

It is intended as a first step to select and train a number of suitable executives for key positions in the home organization and others who can proceed overseas to conduct any specific research which is urgently required and to establish a nucleus of local contacts or branches in main centres. It is proposed that the charge to be made for specific market and consumer research should be on a cost-plus basis; other services of the association would be free to members.

National Overseas Advertising Service

Should the promoters be successful in forming a Research Association along the foregoing lines, the leading members of the advertising profession are prepared to pool all their existing knowledge and resources and to augment them to such an extent as is necessary to provide an overseas national advertising service competent to meet the demands of United Kingdom trade overseas.

The National Overseas Advertising Service, which would be complementary to the Export Research Association, would take the form of a company limited by shares in which the shareholders would be those advertising agents who were prepared to organize and finance it. The support of the leading United Kingdom advertising agents has only been obtained to the general principles of such an organization. The service would act in overseas territories as the local representative of every United Kingdom advertising agent who subscribed to it, and it would carry out for such agent, or supervise the carrying out of, what-

ever portions of his work he might desire to assign to it, as for example:—

- (i) purchase of space, air, etc.
- (ii) production, revision and trans-
lation of creative work, art
work, copy, etc., to ensure its
suitability for a particular
market.
- (iii) preparation and submission to
its subscribers of new ideas for
campaigns, new creative and art
work, new copy, etc.
- (iv) placing of campaigns.
- (v) vouching of insertions and set-
tlement of accounts.

The policy of the proposed National Advertising Service would be to utilize the organization which has been built up overseas by United Kingdom and Dominion advertising agents wherever such procedure would be appropriate and in the best interests of advertisers. The National Overseas Advertising Service would work in co-operation with the proposed Export Research Association, and in certain circumstances both might avail themselves of a local non-British organization. The object would be to serve British trade in the most efficient

manner possible, and there might be cases in which the greatest efficiency would be obtained by encouraging efficient local co-operation and utilizing local talent.

Co-operative Plan

The project at the moment is already in its initial formative stage, and it remains to be seen whether it can be developed in the manner intended. It is, nevertheless, an expression of the preparations which are under consideration for the restoration and expansion of United Kingdom export trade after the war, and it is significant that it takes the form of co-operative effort to achieve a common purpose. During the war co-operation, in its most highly developed forms between former competitive interests, has been a feature of United Kingdom trade and industry. Whether such interests can be induced to co-operate voluntarily to the extent proposed, and whether the projected Export Research Association is a sound and workable scheme, will be proved by the nature of the support which it attracts.

London, August 14, 1944.

SOUTH AFRICAN ELECTRICITY SUPPLY

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

The total value of land, buildings, machinery, plant and tools used in the production and supply of electricity in South Africa, as reported for the 1941-42 Industrial Census, was £53,044,482; the total number of persons employed was 15,890, and total salaries and wages paid annually at that time was

£2,919,294. Coal consumption was 6,740,434 short tons valued at £2,492,101, or about \$1.63 per ton. The installed capacity, the size and type of generating units and some details of consumers and sales are shown in the tables below.

Installed Capacity of Plants

Capacity	Power Stations	Total Installed Capacity
	No.	Kw.
50,000 kw. and over	13	1,428,100
20,000 kw. and over and below 50,000 kw.	4	143,000
10,000 kw. and over and below 20,000 kw.	6	84,502
5,000 kw. and over and below 10,000 kw.	4	33,075
1,000 kw. and over and below 5,000 kw.	38	78,343
Below 1,000 kw.	248	56,730
Totals	313	1,823,750

Size and Type of Generating Units

	Steam Turbines	Steam Recipro- cating Engines	Diesel Petrol, Paraffin, Light Oil Engines	Gas Engines	Water Wheels and Turbines	Total Number of Sets
A.C. plants—						
Below 250 kw.	4	79	324	7	28	442
250 kw. and over, but below 1,000 kw.	33	64	18	7	11	133
1,000 kw. and over, but below 5,000 kw.	73	..	..	..	..	73
5,000 kw. and over	91	..	..	..	..	91
D.C. plants—						
Below 250 kw. . . . .	..	38	164	9	..	211
250 kw. and over, but below 1,000 kw.	1	9	1	3	..	14
1,000 kw. and over, but below 5,000 kw.	1	..	..	..	..	1

Consumers and Sales

	Cape Province	Natal	Orange Free State	Transvaal	Totals
Total number of consumers..	143,093	57,918	15,511	152,827	369,349
Total units consumed	676,255,559	694,269,879	75,504,946*	5,321,669,583	6,767,699,967
Number of domestic consumers	124,520	43,905	13,745	129,395	311,565
Units sold to domestic consumers	320,811,389	134,524,342	13,773,233	328,359,027	797,467,991
Average units sold per domestic consumer.	2,576	3,064	1,002	2,538	2,560

* Some of these units were generated in Natal and Transvaal.

Electricity Supply Commission

The most important organization for supplying electricity in South Africa is the Electricity Supply Commission, commonly known as "Eskom", which was established on March 1, 1923, by Government Notice No. 408 of March 6, 1923. The main functions and duties of "Eskom" may be summarized as the establishment, acquisition, maintenance and working of undertakings for an efficient supply of electricity to government departments, the South African Railways and Harbours Administration, local authorities, companies and other persons carrying on industrial undertakings, and to any persons whatsoever in the Union; the investigation of new or additional facilities for the supply of electricity within any area and for the co-ordination and co-operation of existing undertakings, so as to stimulate the provision, wherever required, of a cheap and abundant supply of electricity. These functions and duties are required to be carried out under the statutory injunction that "it shall be a general principle of the Commission that its undertakings shall, as far as practicable, be carried on neither at

a profit nor at a loss, and that its charges shall be adjusted accordingly from time to time".

Capital Structure

The Commission operates on business lines, is outside political control and is licensed and controlled by the Electricity Control Board in exactly the same manner as a private concern, but, unlike private enterprises, the Commission must finance its undertakings out of fixed-term interest-bearing loans and not from share capital. Before raising any loans the Commission must obtain the sanction of the Governor-General, and such loans and the interest thereon are a first charge on the assets and revenue of the Commission.

The Commission's first public loan was in February, 1933, when it invited subscriptions for £500,000. The response to that issue was so encouraging that a further loan of £2,500,000 at 4½ per cent interest, which rate was ¼ per cent lower than for the previous loan, was raised two months later. In March, 1934, the Commission offered for public subscription a loan of £6,750,000 with interest at the rate of 3¾ per cent, which was over-

subscribed within forty-eight hours. That loan, which incidentally was not underwritten and is the largest yet raised by the Commission, was issued primarily for the purpose of repaying the balance of advances, totalling £8,000,000, obtained from the Treasury for financing the Commission in the early stages of its existence, £2,250,000 having been repaid in June, 1933.

The rate of interest paid by the Commission on the Treasury advances, which were subsequently consolidated into two loans of £3,000,000 and £5,000,000 redeemable not later than December 31, 1954, and December 31, 1979, respectively, was 5.018 per cent, and it has been estimated that, as the result of the repayment of those loans, the saving to the Commission's consumers, calculated over the period of the loans, will exceed £5,000,000.

Further loans were raised as follows: November, 1934, £2,500,000 at 3½ per cent; July, 1936, £2,000,000 at 3¼ per cent; September, 1937, £2,000,000 at 3½ per cent; April, 1939, £2,000,000 at 3¼ per cent; December, 1940, £1,500,000 at 3¼ per cent; and July, 1941, £2,000,000 at 3¼ per cent.

At December 31, 1943, the Commission's total loan capital, all publicly subscribed in South Africa, was £21,750,000. The assets of the Commission at that date amounted to nearly £31,000,000, and its total liabilities were slightly over £24,000,000, showing an excess of assets over liabilities of nearly £7,000,000.

Revenue, production costs and other figures relating to the operation of the Commission's undertakings during the year 1943, with comparative figures for 1942, are as follows:—

	1943	1942	Difference Per Cent
Total revenue	£3,189,782	£3,138,147	+ 1.65
Total production costs (including interest redemption and reserve fund charges)	£3,185,146	£3,134,331	+ 1.62
Average price per unit sold	0.1743d.	0.1697d.	+ 2.69
Average revenue per unit sold (including sundry revenue)	0.1790d.	0.1743d.	+ 2.69
Average cost per unit sold	0.1787d.	0.1741d.	+ 2.67
Total cost of coal consumed, including railage	£ 925,668	£ 898,819	+ 2.99
Railage on coal consumed	£ 278,683	£ 283,398	— 1.66
Coal consumed (in tons of 2,000 pounds)	3,584,873	3,586,919	— 0.06
Excess revenue over production costs	£ 4,636	£ 3,816	+ £820

Undertakings

The Commission owns seven main power stations, with a total installed capacity of 872,650 kilowatts of generating plant (including 66,000 kilowatts for one under construction in the Vaal Power Station), which will be increased to 1,084,150 kilowatts when plant now on order is installed. In addition, 2,206 kilowatts of generating plant are installed in four small standby Diesel plants at various centres. With the exception of its hydro-electric station at Sabie, the Commission's power stations are all operated by steam and are situated, respectively, at Cape Town (Salt River), Colenso, Durban (Congella), Vereeniging District (Klip), Heilbron District, near Viljoen's Drift (Vaal), and Witbank. Each of these power stations, together

with an area of supply clearly defined in the respective licences or permits granted to the Commission by the Electricity Control Board, constitutes a separate and distinct undertaking and, in terms of the Electricity Act, each undertaking is financially independent.

The Commission's licensed area of supply in the four provinces of the Union is now over 34,000 square miles, and it owns over 2,470 route miles of overhead power lines and 100 route miles of underground cables. The total step-up and step-down static transformer capacity on the system is more than 1.5 million kva. Along the 1,229 track miles of electrified railway lines in the Union, the Commission owns 51 sub-stations for converting power from alternating to direct current for traction purposes. Details of the generating plant are as follows:—

Generating Plant

Power Station	Generators No.	Normal rating of each Generator		Rating of Generator House		Voltage of Generation	Rating of House Sets Kw.
		Kw.	Kva.	Kw.	Kva.		
Caledon	1	140	...	140	...	500/250 D.C.	
Colenso	{5	12,000	13,350}	85,000	94,550	6,600 A.C.	
	{1	25,000	27,800}				
	{2	6,000	7,500}	98,000	122,500	6,600 A.C.	
Congella	{3	12,000	15,000}				
	{1	20,000	25,000}				
	{1	30,000	37,500}	396,000	495,000	10,500 A.C.	28,000
Klip	12	33,000	41,250				
Margate*	{1	93	110}	166	196	380/220 A.C.	
	{1	73	86}				
Sabie†.	3	450	600	1,350	1,800	3,300 A.C.	
Salt River	{3	10,000	11,000}	90,000	108,000	12,000 A.C.	300
	{3	20,000	25,000}				
Volkstrand*	2	250	300	500	600	3,300 A.C.	
Witbank	5	20,000	23,500	100,000	117,500	6,600 A.C.	8,000
Total	44			771,156	940,146		36,300

* Oil; † Hydro; all others steam.

Sales of Electricity

The total sales of electricity by all other producers in the Union for the year 1942 (the latest year for which statistics are available) amounted to 2,447 million units as compared with

4,321 million units sold by the Commission during that year, the Commission's sales representing nearly 64 per cent of the total. The distribution of sales in 1943 by each undertaking is shown in the following table:—

Electricity Sales from Undertakings

	Units sold during 1943	Difference between 1942 and 1943 Sales	
		Units	Percentage
Natal Central	312,387,660	+ 4,663,519	+1.52
Witbank	849,119,231	-24,321,229	-2.78
Cape Town	145,739,820	- 6,030,082	-3.97
Durban	293,366,350	+19,617,742	+7.17
Sabie	5,930,089	- 405,307	-6.40
Klip	2,669,086,704	-38,743,207	-1.43
Total	4,275,629,854	-45,218,564	-1.05

The total number of all classes of consumers supplied with electricity from the Commission's various undertakings at December 31, 1943, was 12,285. These include the South African Railways and Harbours Administration, many municipalities taking bulk supplies for house-to-house distribution and also the Victoria Falls and Transvaal Power Co., Limited, which takes the bulk of the output of

the Commission's Witbank Station and the whole output of the Commission's Klip Station to supply the gold-mining and other industries along the Reef. The output of the Vaal Power Station will also be supplied to that company for similar purposes.

The distribution of 1943 sales by classes of consumers is summarized as follows:—

	1943	Percentage
		Incr.(+) or Decr.(-) from 1942
Bulk supplies—		
Mining, etc.	3,257,442,242	-2.03
Municipal	350,563,136	+9.61
Direct supplies for—		
Traction	418,110,549	-1.35
Mining	53,862,125	+4.31
Industrial	172,448,134	-3.75
Domestic and street lighting	23,203,668	+8.00
Total	4,275,629,854	-1.05

An analysis of the figures shows that there were decreases in bulk supplies from the Klip and Witbank undertakings, used mostly for mining purposes, and in traction supplies from the Cape Town undertaking, due to the curtailment of suburban railway services and the reduction of train speeds as a wartime measure. Sales for industrial purposes from the Cape

Town, Sabie, and Witbank undertakings were also less than in the previous year. On the other hand, sales for traction purposes for the Natal, Pretoria and Reef railway systems were greater in 1942, and domestic and street-lighting sales from all undertakings showed appreciable increases.

Johannesburg, July 14, 1944.

BRITISH GUIANA ECONOMIC CONDITIONS IN 1943

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

British Guiana's 364,000 inhabitants experienced some heavy weather in 1943, when 106.23 inches of rain fell over a period of six months, extending well into 1944, as compared with 37.16 inches over the same period of the previous year.

This had an adverse effect on the sugar, rice and food crops; neverthe-

less by the end of the year exports had attained a total value of \$23,184,973 as compared with \$19,307,020 in 1942 and, with one exception, export values, as shown in the following comparative figures for the principal agricultural and lumber products, exceeded those of 1942:—

British Guiana's Domestic Exports

	1943 Figures in B.W.I. Dollars	1942 Figures in B.W.I. Dollars
Total	\$23,184,973	\$19,307,020
Sugar	7,519,089	7,288,765
Rice	1,699,962	1,828,650
Rum	947,245	586,469
Copra	52,500	.....
Balata	552,621	449,925
Sawn lumber	94,966	89,557
Round and hewn timber	82,824	46,268

Mineral production and exports reached record proportions, but detailed figures are not available for publication.

With this favourable position of its export trade, the Colony's purchasing power was well maintained, as indicated by the currency circulation figure of \$8,139,910 as compared with the pre-war figure of \$2,069,190 for 1938.

The Colony was fortunate in receiving steady supplies throughout the year. Imports totalled in value \$24,958,847 as compared with \$18,150,179 in 1942. These consisted of: foodstuffs, \$6,892,042 (\$4,826,050 in 1942); raw materials, \$1,364,812 (\$1,453,036); and manufactured products, \$16,560,091 (\$11,684,463).

Canada continued to be the principal source of supply, being credited with \$9,162,450 of the imports as compared with \$6,481,911 in 1942. The United States supplied to the value of \$6,649,002 (\$5,799,702 in 1942); the United Kingdom, \$4,158,666 (\$6,598,816); and Argentina, \$1,476,285 (\$378,156).

Owing to increases in both exports and imports, colonial revenues exceeded expectations, with the result that out of a revenue of \$12,257,460 there was a surplus balance of \$1,480,000, which increased the Colony's total surplus balance to \$5,929,000.

The Colony's public founded debt, which in 1936 reached a peak of \$23,312,452, has been reduced to \$19,386,-

064, against which invested sinking funds having a market value of \$3,200,765 are now held.

The steadily increasing cost of living in British Guiana has obliged the local Government to resort to payment of food subsidies, which totalled \$1,514,-

240 in 1943. Nearly 95 per cent of this amount was spent in subsidizing the price of flour, condensed milk, pickled beef, salt fish, and split peas, items which are commonly used by the working-classes.

Port of Spain, August 10, 1944.

INDUSTRIAL AND COMMERCIAL CENTRES ON THE UNITED STATES WEST COAST

II. San Francisco

By T. J. MONTY, *Acting Trade Commissioner at Los Angeles*

San Francisco's claim to being the first port on the West Coast of the Americas is based on its great natural harbour and ample facilities, its war-expanded activities, and the number of steamship lines which have their headquarters in that city, serving the Orient and connecting with the world's major ports. In view of the importance of such activities, San Francisco looks to the future with optimism with respect to America's future trade and political relationship with Asia and with the rest of the world. Another aspect of its optimism is in regard to its claim to being the financial centre of the West. San Francisco County, the smallest in California, is the centre of a six-county metropolitan area spreading out along the shores of San Francisco Bay. The city is linked to Marin County in the north by Golden Gate bridge, second largest of its kind and boasting the longest single suspension span. Across the bay another bridge links it to the city of Oakland in Alameda County, and Contra Costa County. Two other counties, Solano in the north and San Mateo in the south complete the city's around-the-bay sphere of influence.

San Francisco was founded in 1776 by Spanish missionaries and colonizers, and by 1846, when California was ceded by Mexico to the United States, had a population of 820. The city can hardly therefore be said to be more than a century old. The discovery of gold on the West Coast in 1848 gave sudden impetus to the increase in its population.

Wartime Developments

San Francisco's population has increased by about 8 per cent above 1940 levels as a result of the war, while that of the metropolitan district has increased by over 25 per cent—from less than 1,500,000 in 1940 to 1,833,000 in 1943. This area is thus competing with the Los Angeles district for the greatest proportionate population growth in the country. This increase does not include military or naval personnel nor transient civilians and has been brought about mainly by the development of war industries, especially an expansion of ship construction and port activities. Shipbuilding which now employs an estimated 210,000 persons in yards and collateral plants, is expected to suffer some setback in the period of re-conversion. Ship repair, however, and the construction of specialized types and the conversion from one to the other, are expected to keep the industry busy for many years to come to provide employment for some 30,000 to 60,000 men outside of the great naval installations. The Navy Yard is one of the two largest in the country.

Manufacturing industries which have expanded as a result of the war, apart from light and specialty manufacturing, are mainly located outside the city proper, which is regarded principally as a financial, commercial, trading, management and control centre. The value of annual production prior to the outbreak of war was slightly over the billion-dollar mark. War contracts and projects placed in the bay

area amounted to \$4,522.5 million up to April, 1944. Supply contracts amounted to \$3,004 million, of which \$2,484 million were for ships, \$75 million for ordnance, and \$442 million for unidentified expenditures. Project orders were valued at \$856 million. Facilities contracts totalled some \$657 million, of which \$361 million were industrial and \$295 million military.

Banking and Finance

It is as a banking and financial centre that San Francisco expects to retain its position as the financial and insurance capital of the West and the nation's second largest financial centre. In 1943 seven of the nation's one hundred largest commercial banks were located in San Francisco and accounted for 10.1 per cent of the total 1943 year-end deposits of these one hundred banks. Only New York exceeded this ratio; Chicago with 9.8 per cent was third; Detroit with 3.9 per cent was fourth; and Boston with 3.7 per cent was fifth. The Federal Reserve Bank of San Francisco is the headquarters of the Twelfth Reserve District, which, measured by bank debits, ranked third in volume of business during 1943.

Several of the banks in San Francisco are headquarters of branch banking systems, extending through the central Pacific Coast and principally throughout the State of California. Most of these, fourteen out of nineteen, are under state supervision. In addition to these banking institutions, one of the main regional stock exchanges, the San Francisco Stock Exchange, is located in that city.

Principal Organizations

A recent tabulation by the *Wall Street Journal* lists the following among the principal financial, commercial and trading organizations located in this city:

The Pacific Telephone & Telegraph Co., second largest unit in the Bell System, has some 45,000 employees, scattered from Seattle in the north to Los Angeles and San Diego in the south, whose activities are directed from the San Francisco headquarters.

The Southern Pacific Co., operating some 16,000 miles of railroad (longest mileage of any United States rail system) in California, Oregon, Nevada, Utah, Arizona, New Mexico, Texas, Louisiana and the Republic of Mexico, directs nearly 100,000 employees from San Francisco.

Pacific Gas & Electric Co. is the largest public utility system west of the Mississippi River and one of the largest in the United States, serving practically all of northern and central California. Most of its 12,000 to 13,000 employees serve outside the city of San Francisco.

Standard Oil Company of California, largest factor in the petroleum industry west of the Mississippi, has its head office in San Francisco. Its operations are world-wide, and 20,000 employees are scattered through the western states, in Alaska, Hawaii, Central and South America, Europe, Africa, and Asia.

Bank of America N.T. & S.A. is the largest bank outside of New York and has the most extensive system of branch banks in America, blanketing California. Employees number more than 10,000; the head office is in San Francisco.

Matson Navigation Company has for many years practically controlled passenger and freight business between Pacific Coast ports and the Hawaiian Islands. It is one of the largest and most profitable of American shipping firms.

California Packing Corporation, with 75,000 employees at peak season, is the largest canning company in the United States. Through a subsidiary it is also the largest single factor in the Alaska salmon industry and one of the "big three" in the Hawaiian business.

Crown Zellerbach Corporation, one of the two largest integrated pulp and paper manufacturing and merchandising concerns in the country, has most of its 10,000 employees in the mills in Oregon, Washington, and British Columbia.

Pacific Lighting Corporation subsidiaries supply practically all the cooking,

lighting, heating and industrial natural gas consumed in Southern California, employing some 5,000 persons.

Rosenberg Brothers, world's largest packer of dried fruit, has plants in various parts of California and employs approximately 5,000 people.

In San Francisco, too, is the western headquarters of Shell Oil Company, next to Standard of California the largest factor in California and Coast oil affairs, and Tidewater Associated Oil Company.

Henry Kaiser Enterprises, with headquarters in Oakland, across the bay, include the shipyards at Richmond, whose peak employment is estimated to have been in the neighborhood of

75,000 workers; the Permanente system of magnesium plants at Los Altos, Manteca, and Natividad, California; the Permanente cement mill at Los Altos (another world's largest); the Fontana Steel plant in Southern California; the three Kaiser shipyards at Vancouver, Swan Island, and Portland on the Willamette and Columbia rivers; and the sand and gravel and construction business, which was the foundation of the corporation.

Safeway Stores, Incorporated, one of the nation's largest food store chains, also has its chief executive offices in Oakland, supervising some 2,700 retail units.

Los Angeles, August 4, 1944.

ARGENTINE EXTERNAL TRADE, JANUARY-JUNE

By J. A. STRONG, *Canadian Commercial Attaché at Buenos Aires*

Argentina has exported 867 million pounds of meats during the first half of the current year, including 595 million pounds of de-boned frozen beef,

mutton and pork and 161 million pounds of tinned beef. The comparative figures for recent war years are as follows:—

Principal Exports from Argentina

	1942	1943	1944
	January-June		
	Figures in 1,000 Pounds		
Frozen beef	426,582	341,839	357,694
Frozen mutton	110,905	83,922	117,156
Tinned meats	130,441	66,893	160,713
Pork	53,929	86,784	119,861
Other meats	62,610	81,138	111,520
All meats	785,467	660,576	866,944
Hides	132,432	124,067	120,992
Wool	81,312	45,275	62,371
Butter	23,960	13,700	29,284
Vegetable oils	133,424	113,032	90,581
	Figures in 1,000 Bushels		
Wheat	41,846	29,936	43,330
Corn	2,841	3,507	3,947
Flaxseed	9,293	6,048	6,616
	Figures in 1,000 Barrels		
Wheat flour	271	384	1,615

The United Kingdom took 94 per cent of the frozen meats, 74 per cent of the corned beef, and 50 per cent of the cattle hides this year from Argentina.

Argentina has a new credit of \$238 million from her surplus of merchandise exports during the first half of

1944, added to her previous large holdings of foreign exchange abroad, which includes £62 million in blocked sterling in London. The greater part of the exports are going to the United Nations at excellent prices, but there has been an enormous increase as well in exports to the other Latin American countries. However, the trend in

exports to these countries, as well as to South Africa, has been declining lately, due to export restrictions in Argentina arising from shortages of certain imported raw materials.

The following table shows Argentine exports by countries for the first six months of 1944 with comparative figures for the similar period of the three preceding years:

Argentine Exports by Countries

	1941	January-June 1942 1943 Figures in \$1,000		1944
United Kingdom	86,557	98,160	93,522	144,697
United States	88,478	100,048	75,231	87,699
Brazil	13,653	16,783	19,515	32,034
Spain	14,317	7,132	8,913	10,851
Sweden	507	10,056	7,197	12,145
Switzerland	1,486	4,359	3,596	6,968
South Africa	1,670	8,370	22,072	10,031
Other American countries	20,714	35,965	59,314	56,019
All other countries	17,198	16,088	4,388	32,339
Total	244,580	296,961	293,748	392,783

IMPORTS

The following table shows the trend in the value of imports into Argentina. Sweden has supplied 25,919 tons of newsprint this year as

compared with 19,752 tons from Canada. Textiles, lumber and tropical fruits comprise the main items from Brazil. India supplies jute.

Argentine Imports of Merchandise

	1941	January-June 1942 1943 Figures in \$1,000		1944
Brazil	16,577	36,084	29,046	47,988
United States	53,414	82,767	35,712	24,163
United Kingdom	40,277	38,712	34,318	16,632
Sweden	1,450	13,785	66,784	11,361
Switzerland	3,626	4,592	4,946	7,457
Spain	1,159	3,119	2,558	4,215
Canada	6,716	4,447	3,274	3,933
India	6,676	12,200	8,168	12,638
South Africa	146	112	995	4,045
Other Latin American countries	10,321	20,275	15,331	15,000
Other American countries*	10,487	5,786	3,972	5,341
All others	17,969	8,388	2,977	1,900
Total exports	244,580	296,961	293,748	392,783

Merchandise balance + 75,662 + 66,694 + 145,667 + 238,110

* Mostly petroleum from Dutch West Indies.

POWER IN SWITZERLAND

From The Economist

Ever since imports of coal have been drastically cut down, Switzerland has increasingly been forced to depend on her own resources of fuel. These are proving insufficient, and for the second year running the authorities have been compelled to curtail the consumption of electricity during the winter months. Production has been unable to keep up with a higher demand, and the situation has been

worsened by the abnormal drought which has prevailed since 1941. The recent increases in consumption have been particularly great in industry and domestic use.

In 1941 there were 6,030 electric power plants in Switzerland, 130 of them being responsible for 95 per cent of the total output, 99 per cent of which came from water-power plants. Since then, two big hydro-electric

plants have been put in service, the Verbois plant on the river Rhone, near Geneva, which until its completion next year, is yielding only two-thirds of its potential production, estimated at half a million kilowatt-hours a year, and the Handeck-Innertkirchen plant, which yields 600 million kwh. a year. The latter is the most powerful plant in Europe. It consists of three composite plants fed by the river Aar and by two artificial lakes on the Grimsel Pass, containing altogether 4,236 million cubic feet of water. The two highest plants have been in pro-

duction for the past three years, and the third and lowest, at Innertkirchen, began producing just over a year ago. The construction of these works involved the boring of seven miles of tunnels in the granite. The Innertkirchen plant, the first bomb-proof power-plant in Switzerland, is entirely hewn in the rock.

Even this is not sufficient, and the Government, strongly backed by industrialists and local authorities, have set up a scheme for adding another 1,000 million kwh. to Swiss electrical production.

ECONOMIC, TRADE AND PRODUCTION NOTES

Fiji

TRADE AND BUSINESS CONDITIONS

With the possible exception of gold-mining, which is hampered by a labour shortage, the industries of Fiji are very active, according to information from firms trading in the Fijian islands, writes C. B. Birkett, Acting Trade Commissioner at Auckland, New Zealand. Prices for copra, pineapple and sugar remain high, and the improvement in shipping during the last two years has permitted a good movement of produce to profitable markets.

Imports of goods, which are still under government licence, are reported to have increased, sterling and dollar exchange being more plentiful than in 1942. Due to a sustained demand for their products, the buying power of the natives has risen.

South Africa

PRODUCTION OF FOODSTUFFS

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes under date June 16, 1944, that the South African allocation of tinsplate for the canning season provides for the canning of over 219,000,000 pounds of foodstuffs, excluding the special meat and vegetable ration pack. Only 15 per cent of the total, 32,840,000 pounds has been allocated for domestic consumption; the remainder is for the

British Ministry of Food and the Allied armed forces.

The British Ministry of Food recently placed orders in South Africa for 2,320,848 tins of the meat and vegetable ration. Approximately 15,000,000 cans (625,000 cases) have been supplied so far. A government food factory has been established in Natal with a capacity of 20,000 cases monthly; the whole of the output of meat and vegetable ration from this plant is for export. Owing to the shortage of meat at present prevailing in South Africa, the factory has been operating below capacity, but the Government hopes that ten tons of meat will shortly be available daily for processing.

Target figures for the production of other canned goods during 1944 are: condensed milk, 30,000,000 pounds; canned vegetables, 56,000,000 pounds; canned fruit, 39,000,000 pounds. The amounts required for South African consumption are less than 1 per cent of the canned vegetables and $7\frac{1}{2}$ per cent of the canned fruit.

Jam production for the period November 1, 1943, to October 31, 1944, has been estimated at 105,300,000 pounds, of which about 19,500,000 pounds will be for civilian consumption in South Africa, 44,800,000 pounds for the British Ministry of Food, 15,000,000 pounds for military use, 6,000,000 pounds for ships' stores, and 10,000,000 pounds for other British territories.

The foregoing figures will give some idea of the productive capacity of the South African canning industry.

SEED PRODUCTION

Vegetable seed production in South Africa, reports *The African World*, has

developed so rapidly as a result of the war that the Union will require to import only about 16 tons this year as compared with 60 to 800 tons in 1939. South Africa is also supplying the essential needs of neighbouring territories.

TRADING WITH THE ENEMY

Revised List of Specified Persons

A new consolidation of the List of Specified Persons has just been published and is on sale to the public on application to the King's Printer, Ottawa. This consolidation is based on revisions of the list as published from time to time in the *Canada Gazette*. In addition to the original list, fifty-two revisions have been issued since the beginning of 1940.

The List of Specified Persons now contains over fifteen thousand names, an increase of about 256 names over the previous consolidation. The rate of increase in listings, however, continues to decrease, mostly in Peru, Spain and Sweden. This decrease is apparent particularly in the listings for Latin American countries.

The List is published for the use of Canadian businessmen engaged in export trade and it is in their interest to consult it, since it contains the names of persons who, although not resident or carrying on business in enemy territory or in territory in occupation of the enemy, are, by reason of their enemy nationality or enemy association, persons with whom trading is prohibited under the Revised Regulations Respecting Trading with the Enemy (1943). These regulations are administered by the Custodian's Office in the Department of the Secretary of State of Canada. The following summary

shows the number of names included in the list within each country:—

Afghanistan	9
Andorra	1
Arabia	4
Argentina	1,655
Bolivia	458
Brazil	915
Chile	1,516
Colombia	1,160
Costa Rica	256
Cuba	100
Dominican Republic	38
Ecuador	422
Eire	38
El Salvador	123
Guatemala	404
Haiti	55
Honduras	40
Iceland	2
Iran	17
Iraq	39
Liberia	5
Liechtenstein	40
Mexico	901
Morocco (Spanish Zone)	68
Morocco (Tangier Zone)	117
Nicaragua	114
Panama	56
Paraguay	92
Peru	1,164
Portugal	1,122
Angola (Portugal)	122
Azores (Portugal)	11
Cape Verde Islands (Portugal)	23
Madeira (Portugal)	33
Mozambique (Portugal)	67
Portuguese China	1
Portuguese East Africa	27
Portuguese Guinea	13
Portuguese India	16
Spain	1,254
Canary Islands (Spain)	45
Fernando Po and Spanish Guinea	28
Sweden	441
Switzerland	1,255
Turkey	415
Uruguay	454
Venezuela	334

TRADE REGULATIONS AND TARIFF CHANGES

Canada

ADDITIONAL INFORMATION REQUIRED OF TEXTILE EXPORTERS

As textile export allocations have been set up on a yardage basis, applicants for export permits will in future

be required to state on their applications for permits covering clothing and textile manufactures the total yardage of each shipment, in addition to the number of garments or manufactured articles.

Cyprus

REMOVAL OF IMPORT DUTIES ON EDIBLE OILS

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, writes under date August 2, 1944, that by Order in Council No. 2128 of July 3, 1944, and with effect as from May 22, 1944, edible oils imported into the Colony of Cyprus are admitted free of all import duties.

The duties chargeable prior to May 22 were 8s. per 100 okes preferential tariff (applicable to British Empire products), and 12s. per 100 okes general tariff. (100 okes equal 280 pounds; 20 Cyprus shillings equal £1 sterling.)

United Kingdom

LABELLING OF FOOD ORDER, 1944

Mr. James A. Langley, Canadian Trade Commissioner in London, writes that the Ministry of Food adopted on June 29, 1944, the "Labelling of Food Order, 1944" which is of direct interest to Canadian packers of prepared foods of all kinds engaged in supplying the United Kingdom market. It will come into force on January 1, 1945.

The new Order is made under the Defence (Sale of Food) Regulations, 1943, which are designed to prevent fraudulent claims on behalf of prepared foods, and particulars of which were published in *Commercial Intelligence Journal* No. 2081 (December 18, 1943). The principal requirement is that labels of pre-packed foods sold by retail must show:

(1) The name and address in the United Kingdom of the packer or labeller, or of the person on whose behalf the food is packed or labelled. Alternatively, the label may bear a registered trade mark. The labels of imported pre-packed foods may specify instead the name and address of the importer;

(2) The common or usual name (if any) of the food;

(3) In the case of food containing more than one ingredient, the common or usual names of the ingredients of the food in the order of the proportions in which they were used;

(4) The minimum quantity of food in the package.

General exemptions are provided for food imported on government account when sold in the wrapper in which imported and for food packed specially for His Majesty's or Allied Forces; and special exemptions of varying extent for particular foods as shown in the First Schedule to the Order.

The manufacturer or packer will normally be the person who labels the food with the above information, but provision is made to allow traders dealing in food otherwise than by retail to sell the food unlabelled. In this case they must furnish the purchaser with a statement enabling him to label the food in accordance with the Order. For the purpose of this provision, the application of a code mark to a container does not constitute labelling.

Special requirements in addition to those indicated above apply to labels and advertisements when claims are made to the presence of vitamins or minerals in a food. General claims are only permitted when specified vitamins or minerals are present and the proportion has to be stated in the manner prescribed. Claims relating to the presence of a particular vitamin or mineral specified must also be supported by a quantitative disclosure.

The Ministry of Food have announced their willingness to advise traders on matters relating to their labels, specimens of which should be submitted in duplicate. Such inquiries can only be dealt with if a complete quantitative statement of the composition of the food (which will be treated as confidential) is also submitted. Advice will not be given regarding advertisements.

The text of the main provisions of the Order, together with its two schedules, will be printed in the next issue of the *Commercial Intelligence Journal*.

Peru

IMPORT CONTROL REGULATIONS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes under date July 20, 1944, that in connection with the official communique dated June 21, 1944, which sets out a system covering all imports into Peru, and in order to simplify it, importers are advised that, as from August 1, 1944, they are obliged to send fortnightly to the Department of Imports of the Ministry of Finance a complete list of their orders for merchandise, specifying class, quantity, and country of origin.

These data, together with those which will be received from Peruvian

consuls, will serve as a basis for the compilation of complete and up-to-date statistics of the movement of external trade.

Uruguay

EXEMPTION FROM CONSULAR INVOICES

Mr. E. K. Talay, Consul of Uruguay in Montreal, writes under date August 15 that consular invoices are no longer required for shipments of goods to Uruguay except for goods not listed in the customs tariff. The Consul states that he remains at the disposal of exporters in case any doubt may arise as to whether or not a particular product is included in the tariff of Uruguay.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 28, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, August 28, 1944, and for the week ending Monday, August 21, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending August 21	Nominal Quotations in Montreal Week ending August 28	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies... Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2755	.2766	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

French North Africa

YVES LAMONTAGNE, Economic Adviser, Office of the Representative of Canada to the French Committee of National Liberation, 48 boul. Saint-Saens, Algiers, French North Africa. Address for letters (at domestic rates)—Canadian Mission, Algiers, c/o D.P.S., Ottawa. *Cable address, Stadacona.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

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Mexico

TORONTO, 5, ONT.

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1 (Territory includes the South of England and East Anglia). *Cable address, Sleighing London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: L. H. AUSMAN, Acting Trade Commissioner. British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

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CANADIAN EXPORT COMMODITIES AND INDUSTRIES

2. THE FISHERIES

By W. H. LANCELEY, *Chief, Fisheries and Animal Products Branch, Dominion Bureau of Statistics*

Origin of the Fisheries

The voyage of John Cabot to North America in 1497, and his glowing account of the richness of the coast, led to the outfitting, under English-Portuguese auspices, of his second voyage in 1498. Apparently the venture was more in the nature of a trading than a fishing voyage.

Owing to the lack of historical records, the degree of exploitation of the new fishing grounds by English fishermen during the next two decades is not clear, but by 1522 the fishery had become sufficiently important to cause Vice-Admiral Fitzwilliam, on the

outbreak of war with France, to advise King Henry VIII and Cardinal Wolsey to dispatch an armed vessel to escort the returning Newfoundland fleet.

Other European nations were not slow to take advantage of the opportunities to be found in the virgin fisheries of the New World, as an English vessel fishing in Newfoundland waters in 1527 found twelve French and two Portuguese barques there, and there is evidence that Portuguese vessels were engaged in the North Atlantic fisheries prior to 1506. French vessels probably arrived on the fishing

Among the various works consulted, special acknowledgement is due to *The Cod Fisheries*, by Prof. Harold A. Innis, and to *The British Columbia Fisheries*, by W. A. Carrothers. The sections dealing with the effects of the war and post-war prospects have been compiled from material supplied by the Dominion Department of Fisheries.

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grounds about 1504 and they and the Portugese prosecuted the fishery much more actively than did the English, who found the triangular trade between Iceland, Portugal and the home country much more profitable.

CARTIER'S FIRST TWO VOYAGES

By the time Jacques Cartier made his first voyage in 1534 there were several well-known fishing stations along the Canadian Labrador and it is fairly evident that Cartier himself and other members of his crew had been engaged in the North American fisheries before they undertook their voyage into the Gulf. Prior to this time cod had been the great objective of the fishermen but Cartier's voyage disclosed such other resources as the salmon of the North Shore, the mackerel of Gaspé Harbour and the walrus of the Magdalen Islands. In the next year he reported whales near Anticosti, walrus in the Moisie River, white whales at the mouth of the Saguenay and a great wealth of fish of various kinds in the St. Lawrence.

In the next decade mention is made of the excellent fishing of Gaspé and Anticosti, where the fish were reported to be much better than those of Newfoundland. By this time also Cape Breton had received its name from the hardy Breton fishermen who frequented that portion of the shore nearest to Cabot Strait.

Passing over the rise of the English fisheries between 1550 and 1600, inasmuch as it applied to Newfoundland rather than to what is now Canada, we find that the first English vessels went to the Magdalen Islands in 1593 to hunt for walrus but found none of these animals; they returned, however, with an excellent cargo of cod. Two years earlier, the French ship *Bona-venture* had killed 1,500 walrus at the islands. In 1597 two London vessels sailed to the islands for cod and in the same year Spanish vessels were seen at the same place and at Cape Breton, while the French sent an expedition to Sable Island to engage in the fisheries and take prizes and the

next year a more permanent settlement was established, which lasted for five years.

Early Exploitation

While the fisheries of the Grand Banks were taking on the aspect of an international fishing convention, no less than 1,500 sail (of which 400 were Portuguese) having been counted on the fishing grounds, the inshore fisheries were not neglected. The first permanent European settlement was by De Monts at Port Royal (Annapolis) in 1605 and for the next 100 years this was the base of the French fishing operations and for the harassing of the fishing fleets of the other nations which frequented the Banks. It was during this period that the colonists of New England made their presence felt on the Grand Banks, catching and drying cod which they took to the West Indies, whence they returned with cargoes of rum, sugar and molasses.

DEVELOPMENT EFFORTS BY FRANCE

From 1663 on Colbert pursued a policy of improvement in the fisheries of New France, cargoes of Canadian fish being transported to the French West Indies in much the same manner as that followed by the New England colonists, but the trade was not a success. In 1669 the inhabitants of Canada were permitted to export cod to France and in 1686 regulations were passed covering the allocation of curing beaches, landings and drying forms.

At this time Canadian-caught cod was being sold in Marseilles and the Levant, in Paris and the western parts of France, as well as in Spain and Portugal. The greater part of the fishing was still being done by fishermen from France, the development of a native industry being greatly hampered by the lure of the fur trade.

CHANGES RESULTING FROM WARS

The close of the War of the Spanish Succession in 1713 saw France forced to cede Acadia and Newfoundland to England, although she retained certain

rights to dry fish along the shores of Newfoundland. Louisbourg was fortified between 1720 and 1734. In 1719 England attempted to encourage migration from Newfoundland to Nova Scotia and the New England colonies not only regained the position they had lost as a result of the wars from 1698 to 1713 but extended it, while the increasing demands for the poorer grades of fish for feeding slaves in the West Indies helped the growth of the off-shore fishery in Nova Scotia.

NOVA SCOTIA SETTLEMENTS

In 1760 Liverpool was founded and Cape Sable Harbour was granted to 200 immigrants from Cape Cod, Plymouth and Nantucket. About 1764, the first successful attempt to establish a permanent fishery was made by fishermen from the Channel Islands at Cheticamp, on the west coast of Cape Breton, and at Arichat. In 1764 Nova Scotia exported 66,400 quintals of dried cod valued at £39,840, and 7,200 barrels of pickled fish valued at £7,700.

The years between 1745 and 1762 saw the taking of Louisbourg by Pepperell, its restoration to France, the founding of Halifax, the final capture of Louisbourg, the first meeting of the Legislature of Nova Scotia and the taking of Quebec. These events all had a depressing effect on the French fisheries and also led to the development of the Nova Scotia, as distinct from the New England, fisheries.

Development and Markets

By the end of the 18th Century the American Revolution had occurred and the Maritime Provinces had become separate British colonies. A fleet of fishing schooners was maintained at Halifax and an annual production of about 60,000 quintals was maintained until about 1900. The city developed more as a trading than a fishing centre and drew its fish supplies from the outports, Gaspé and Newfoundland.

The increase of the population of Nova Scotia led to the imposition of restrictions upon the fishermen of New

England. After the Civil War and the opening of the West, markets for fresh fish displaced those for the dried article, with the result that New England withdrew from the more distant waters and imposed tariffs against Nova Scotia fish.

The American invasion of the mackerel grounds of the Gulf of St. Lawrence lasted from the 1830's to the 1870's. In this fishery, as in the cod, the share system and the higher prices in the United States market led many young men from the Maritime Provinces to seek employment on the American vessels.

While the advent of Reciprocity in 1854 opened a market for the Canadian product, the American fishery continued to expand until the Civil War of 1861-65, which caused, together with the abrogation of the Reciprocity Treaty in 1866, the disappearance of American vessels from Canadian waters in the '60's.

COMPETITION WITH NEW ENGLAND

New Brunswick, Quebec and Prince Edward Island had, like Nova Scotia, encountered numerous difficulties from the competition of the New England fisheries. In an endeavour to compete with the New Englanders, a free port was established in 1860 at Gaspé, where vessels could buy their supplies free of duty, but after a three-year trial the system was abandoned as it was not found to be a success on account of the monopoly control of the local merchants.

All these difficulties were a factor in inducing the various provinces to enter Confederation, the change in the Quebec Resolutions in 1866 to give the Federal Government control over the fisheries reflecting the importance attached to Confederation as a means of resisting the competition of New England. With Confederation the picture becomes clearer and we have the beginning of a statistical record which enables us to trace the growth of the Dominion's fisheries production and trade.

RISE OF PACIFIC FISHERIES

Prior to Confederation the story of Canada's fisheries is practically confined to the Atlantic coast, although the Hudson's Bay Company had exported British Columbia salt-cured salmon to the Hawaiian Islands and Asia from 1835 to 1858; but by 1880 a production of \$713,335 was recorded for the Pacific province. The first cannery was apparently in operation in 1870 and the industry centred around the canning of salmon.

A tendency towards amalgamation became evident about the turn of the 20th century when the British Columbia Packers' Association acquired 41 plants. The value of the catch jumped from \$4,878,820 in 1900 to \$7,942,771 in 1901, reached \$27,282,223 in 1918 and fell to \$13,953,670 in 1921.

As early as 1905 British Columbia exceeded Nova Scotia in the value of

the output of the fisheries. The introduction of improved Diesel engines and the falling-off of the sockeye run on the Fraser River hastened the trend towards large control and the development of the northern regions and in the prosperous period of the 'twenties large capital organizations were formed.

In 1893 the halibut fishery was developed on Porcher Island in Hecate Strait, the fish being shipped in a frozen state to New York. The third fish in value, herring, was first fished for by a New Westminster firm in 1877, but the process of packing was not successful. However, herring oil was extracted about the same time in Burrard Inlet.

Production

The table below shows the value of the fisheries production of the Dominion by decades since 1870.

Value of the Fisheries Production of Canada, by Decades, 1870-1930, and by Years, 1939-1942

Year	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1870	Not known	\$ 4,109,425	\$1,131,433	\$ 1,161,551
1880	\$ 1,675,089	6,291,061	2,744,447	2,631,556
1890	1,041,109	6,636,444	2,699,055	1,615,119
1900	1,059,193	7,809,152	3,769,742	1,989,279
1910	1,153,708	10,119,243	4,134,144	1,692,475
1920	1,708,723	12,742,659	4,423,745	2,592,382
1930	1,141,279	10,411,202	4,853,575	2,502,998
1939	950,412	8,753,548	5,082,393	2,010,953
1940	714,870	9,843,456	4,965,618	2,002,053
1941	952,026	12,634,957	6,484,831	2,842,041
1942	1,639,539	15,297,482	7,132,420	4,194,092

	British Columbia	Prairie Provinces and Yukon	Canada
1870	\$ 264,982	Not known	\$ 6,577,391
1880	444,491	\$ 713,335	14,499,979
1890	2,009,637	3,481,432	17,714,900
1900	1,333,294	4,878,820	21,557,639
1910	2,026,121	9,163,235	29,965,142
1920	3,336,412	22,329,161	49,241,339
1930	3,394,629	23,103,302	47,804,216
1939	3,010,252	17,698,989	40,075,922
1940	3,035,100	21,710,167	45,118,887
1941	3,518,402	31,732,037	62,258,997
1942	4,135,205	38,059,559	75,116,933

Export Trade

The trade return for the fiscal year 1868, the first year of the new Dominion, showed a total value of \$3,357,510 in exports of the products of the fisheries, of which Nova Scotia catches accounted for 71 per cent. At that time the principal exports for the

old Province of Canada (Ontario and Quebec—mainly the latter) were dry-salted fish to the value of \$444,449, of which 38 per cent went to Italy, 18 per cent to Spain and Portugal, 8 per cent to the British West Indies and 25 per cent to Brazil and other South American countries. In Nova Scotia also the dry-salted product constituted the

major portion of the exports, or 60 per cent, followed by wet-salted with 33 per cent.

The leading market for Nova Scotia was the British West Indies, which took over half of the dry-salted and 46 per cent of the total exports, while over half of the wet-salted product went to the United States. Other foreign countries took 26 per cent, largely dry- and wet-salted. In the case of New Brunswick, the main markets were the United States, which took 49 per cent, and the United Kingdom 35 per cent. Wet-salted fish was the main New Brunswick product, but the balance between products was more even than in the other provinces.

MARKETS IN 1880

By 1880 the value of the fisheries exports had risen to \$6,579,656 and figures are available by kinds of fish. Ground fish (cod, haddock, ling and pollock) in the dry-salted state accounted for 54 per cent of the total, preserved lobster was in second place, mackerel was exported to the value of \$686,414, and herring and salmon were also well up among the exports. The United States was the principal market, taking 26 per cent of the total fish exports, unless the British and Spanish West Indies are taken together, their joint share amounting to 38 per cent; while the United Kingdom took 17 per cent. As regards shellfish, the United Kingdom took 6,124,889 pounds of preserved lobster valued at \$640,760, and the United States 2,586,596 pounds valued at \$267,792.

GROWTH OF CANNED PRODUCTS

In 1890 British Columbia made its influence felt in the export trade, the value of canned salmon being \$2,069,736 out of a total of \$8,461,906 for all fish. Dry-salted cod still maintained the leading position with a value of \$3,014,275, the British and Spanish West Indies being still the main markets for this product, while the wet-salted form had almost disappeared from the returns. The United Kingdom was the largest market for canned salmon and the exports of canned

lobster were almost equally divided between the United Kingdom and the United States. The fresh fish trade with the United States was becoming an appreciable item and each of the seven provinces contributed its quota, the exports of inland fish from Ontario amounting in value to \$350,962.

EXPANSION FROM 1900

By the turn of the century the fisheries exports had increased by 234 per cent since Confederation, the total value for 1900 being \$11,224,866. Dry-salted cod and canned salmon still led in value; but canned lobster, with a value of \$2,372,859, now accounted for 21 per cent of the total value of fish exported as against 12 per cent ten years earlier. France was coming into the picture as the third greatest consumer of this commodity.

In the fiscal year 1910 exports had increased to \$15,663,162, or by nearly 40 per cent in the decade, and canned salmon accounted for 31 per cent of the total. Dried fish was now in second place, and canned lobster in third, with an increase in value of 10 per cent but a decrease in quantity of 7 per cent. The dried-fish trade still centred upon South American and Caribbean markets but the United States took 12 per cent of the product and Italy 7 per cent. France was the main market for canned lobster.

By the end of the next decade fish exports had increased in value to \$42,227,996, or by 169.6 per cent in the ten years. The trade in fresh and frozen products amounted to \$8,263,388 but, by species, the first three places were held by the same products as in 1910; canned salmon being valued at \$12,067,319, dried cod at \$8,002,673, and canned lobster at \$4,083,678. Other commodities valued at \$1,000,000 or over were: "Other fish, fresh and frozen"; salmon, fresh and frozen; cod, green-salted; and whitefish.

The United States was still the principal market for fresh and frozen fish, but the United Kingdom, the West Indies and Oceania all took small amounts of the product. The United Kingdom, France and the

United States were the main markets for canned salmon, with Australia, New Zealand and the Straits Settlements also taking appreciable amounts; the United States took the major portion of the dried cod, followed by Cuba, the British West Indies, Brazil and British Guiana; while the main market for canned lobster had shifted to the United Kingdom, followed by the United States, France and Denmark.

DEPRESSION AND PRE-WAR YEARS

The statistics of trade for 1930 are for the calendar year, whereas those for the previous years relate to the fiscal years (ending on June 30 to 1907 and on March 31 for the later years). In 1930 the effects of the world-wide depression were making themselves felt on the trade and the total value of fish exports was only \$31,869,350, owing partly to lower prices and partly to lesser quantities. Fresh lobster had advanced to fifth place and was all directed to the United States. The only change in the market for dried cod was that Italy took close to 17 per cent of the amount exported, or nearly eight times as much as in 1920. Canned salmon was sent to most of the countries of the world, Italy, Belgium, Chile and British South Africa being added to the list of nations taking an appreciable amount.

In 1939, the latest pre-war year, the value of fish exports dropped by 7 per cent to \$29,641,232. Shipments of canned salmon, however, increased both in quantity and value, at prices slightly lower than in 1930; "Other fresh-water fish", in second place, also showed increases in quantity and value, in spite of considerably lower prices than in 1930; while fresh lobster showed the same trend and had outstripped the canned product in value. Fresh and frozen salmon was in fourth place, with a large increase in quantity but only a limited rise in value, owing to a fall in price of about 19 per cent. Canned lobster declined in both quantity and unit price. Exports of halibut, in the fresh and frozen state, were valued at \$1,203,135, and showed an

increase of 223.7 per cent in quantity and of 158.8 per cent in value over 1930.

Effects of the War

At the outbreak of war in 1939 the Pacific fisheries were efficiently organized, both as to landing and processing operations, with large corporations and strong unionization of labour as outstanding characteristics. The product was shipped largely in the canned or frozen state and the trade was dependent to a major degree upon the export market; only about 35 per cent of the salmon catch of 1939, for instance, being consumed within the Dominion.

PACIFIC PRODUCTION

While the Pacific fisheries suffered from the requisitioning of vessels by the Navy and later from the exclusion of Japanese from the fishing grounds and the canneries, these developments do not appear to have affected production appreciably. The war caused the loss of the Oriental market for salted herring but this has been replaced by the canning of herring for the British Government, which has also taken the major proportion of the output of canned salmon. Large quantities of fresh halibut and other flat fish are also sent to the United Kingdom.

FRESHWATER FISHING

The inland fisheries are of a highly seasonal nature and their product is almost wholly in the fresh form. While they could be considered as a relatively undeveloped industry at the outbreak of the war, both the Federal and Provincial Governments have been taking an increased interest in this resource, with a resulting intensification of exploitation. The chief effect of the war has been the diversion of a larger proportion to the United States, as a result of the higher prices obtaining there.

CATCHING TECHNIQUE ON ATLANTIC

The Atlantic fisheries were in a state of arrested development with catching techniques backward and a

probable excess of labour in the important ground-fishing phase of the industry. The fisheries fall naturally into two main branches, the fresh and canned and the salted. The first suffered from inefficient catching technique and consequent variability in supply and from an equally inefficient distributive mechanism; the combination of these two conditions resulting in very high costs of production and distribution.

The main canned products were lobster and sardines (herring). The first was declining in importance owing to the growth in the fresh lobster trade. In the ground-fish industry, the production of fresh frozen fillets was being developed at the expense of other forms of fresh, smoked and salted fish.

SALTED FISH MARKETS CONTRACTING

While the once-paramount salted-fish industry is still important, it faces steadily contracting markets, practically all the product being exported. In the past salt fish has served as a cheap protein food for tropical and semi-tropical countries and of late has experienced great difficulty in meeting the competition of higher-grade, lower-cost or subsidized products from other exporting countries, and of substitutes made available by modern refrigeration. In addition to suffering from the same inefficiencies as the fresh trade, uneconomic competition between exporting firms was an added difficulty.

The effects of wartime conditions on the Atlantic fishery have been the most far-reaching. Especially during the 1942-43 period, prices have risen rapidly and are now about three times the pre-war level; they are, for the most part, under ceilings.

EFFORT TO RATIONALIZE

The need for increased production has led to some attempt to rationalize the industry on the East Coast for the first time. The Dominion Government has subsidized trawler (dragger) construction by firms and groups of fishermen and has undertaken experiments to perfect other high-efficiency techniques for the catching of groundfish.

The War has provided the Atlantic Coast trade with a greatly expanded demand for its products and the necessity of ensuring equitable distribution of food supplies among the Allied countries has resulted in the rationing of the exportable surplus of salted fish among the countries whose need is greatest. Less rigid restrictions are placed upon the trade in pickled fish. Large quantities of fresh and canned fish are earmarked for the United Kingdom or for relief and rehabilitation purposes. In all this, however, the market contacts of the trade have been preserved in so far as possible.

Post-war Position

The problem of the fisheries in the early post-war period cannot be viewed apart from those of the national economy as a whole. A general rise in living standards—combined with efficient methods of catching, preparing and distributing fish-food products—might double the present domestic consumption, but the industry could be expanded to produce a much larger supply for export as well. The outlet for this supply will depend upon the welfare and trade policies of the nations after the war.

The Pacific fisheries will probably be able to produce a greater pack of salmon when the effects of the removal of the obstruction in the Fraser River are fully realized and should be able to maintain its position in the United Kingdom market, although competition will probably be encountered from the similar products of the U.S.S.R. The wartime production of canned herring will presumably be reduced but may be replaced by the production of salted herring should conditions in China improve, while the expansion of the herring-meal and -oil industry will be regulated by the absorptive capacity of agriculture and the chemical industry. The wartime production of vitamin oil may quite probably carry over to peace-time, but the expansion of the halibut industry is limited by the demands of conservation.

On the Atlantic Coast, the improvements in the ground-fishing industry may be extended to the pelagic fishery,

with the possible establishment of floating factories equipped to handle both ground and pelagic species. The salt-fish industry will probably continue to decline, with the emphasis

shifted to the production of fresh and frozen fillets; but the wartime improvements in the canning of sardines may permit of greater competition with the European product.

UNITED KINGDOM POST-WAR DEVELOPMENT OF ROAD CONSTRUCTION AND TRANSPORT

By FREDERIC HUDD, *Chief Canadian Commissioner in the United Kingdom*

The British Road Federation, comprising more than sixty national organizations associated with road transport, has issued a report in which it makes known to the Government its views concerning the reconstruction of roads and the development of road transport in the post-war period.

The Federation recommends that road and road transport development should form an important part of the Government's four-year plan for reconstruction. It will enable industry to expand, facilitate demobilization, assist the better geographical distribution of population and employment, encourage exports, promote the tourist industry, and reduce the cost of transport by economizing in gasoline and tires. Further, a population with more leisure and longer holidays will demand cheap cars and roads on which to use them.

Government Control

On the question of government control, the Federation are opposed to undue regimentation and advocate that, while a measure of control of all moving units is necessary from the point of view of safety, wages and conditions of service, enforcement of reasonable standards of service and charges, and military preparedness, the objective should be to encourage the economic development of the industry rather than to compel it to conform to a fixed and rigid plan.

The report endorses the proposals for the construction of a limited number of new motor roads on the main traffic arteries. The Government, it is stated, should prepare plans at once for a program of road construction and improvement and make the necessary arrangements for the acquisition of

land, so that it may be possible to proceed with the work of construction and reconstruction immediately conditions permit.

Specialized Motorways

The Federation state that a strong case exists on purely economic grounds for the expenditure of large sums on the improvement of the road system, and especially on the construction of motorways (i.e. specialized highways designed and reserved for the use of motor traffic). Such an investment will yield an immediate return by reducing transport and motoring costs. There will also follow valuable development to provide the users of the new roads with service facilities.

During the war there has been a great development of constructional work in connection with aerodromes, and machinery and labour will be available which can, without great difficulty, be transferred at short notice to the modernization of the road system.

Importation of Road Equipment

With regard to the possibility of imported equipment being required for these plans, the Federation point out that it is in the national interest to remedy as quickly as possible any temporary shortage in materials necessary for the operation of road transport. If imports are restricted immediately after the war by shortages of shipping and foreign exchange, it is in the country's interest to place a high priority on those needed for the operation and development of road transport, the efficiency and adequacy of which is one of the foundations upon which the other parts of the national reconstruction program must rest.

PURCHASE AND DISPOSAL OF GRAIN IN IRELAND

By GEORGE SHERA, *Office of the Canadian Trade Commissioner at Dublin*

On July 19, 1944, the Eire Minister for Agriculture issued an Order entitled the Emergency Powers (Cereals) Order, 1944, the effect of which was to regulate the purchase and disposal of home-grown grain crops. This Order fixed the prices to be paid to growers for grain crops of the 1944 harvest and also the maximum prices to be charged for wheat and barley sold to growers for use as seed in the 1944-45 sowing season.

As in previous years, the following persons only will be allowed to purchase wheat from growers: (a) persons purchasing wheat for sowing in their own land; (b) licensed millers; (c) registered distillers; (d) licensed wheat dealers; (e) persons holding a Seed (Wheat) Assembler's Permit; and (f) any person to whom a special permit is granted to purchase a specified quantity of wheat.

Licensed wheat dealers are those whose names were entered in a register kept by the Minister for Agriculture since 1933. During the emergency period, only persons on this list were licensed to deal in wheat.

Since the outbreak of hostilities little or no seed wheat has been available for importation, and supplies thereof have had to be drawn from domestic stocks. In order that this should be of the best possible quality, only those who had facilities for selecting, cleaning and artificially drying were granted permits to assemble wheat for sale as seed. Such seed has to have a minimum germination of 88 per cent.

In Eire seed wheat is sold undried and artificially dried. The latter varies in price from 84s. to 78s. per barrel (280 pounds), while the price of the former ranges from 78s. to 71s. per barrel.

As in the case of wheat, only the following persons are allowed to purchase barley from growers: (a) persons purchasing barley for sowing in their own land; (b) licensed barley dealers; (c) holders of Seed (Barley) Assembler's Permit; (d) persons holding a special permit to purchase specified quantities of barley. Those wishing to assemble barley for sale as seed must procure a licence from the Minister for Agriculture.

The maximum price for seed barley during the sale season is 48s. per barrel (224 pounds).

No control other than the fixing of a minimum price to growers is exercised over the oat crop.

The price fixed for the 1944-45 sale season (August 14, 1944, to August 31, 1945) for milling wheat, purchased from the grower, is as follows, last season's price being shown within parentheses: of bushel weight not less than 57 pounds, 55s. per barrel (280 pounds) (50s. per barrel); bushel weight less than 57 pounds but not less than 55 pounds, 54s. (49s.); bushel weight less than 55 pounds, 52s. (47s.).

The price for barley remains unchanged from last year, namely 35s. per barrel (224 pounds), while the price for oats remains unaltered at a minimum of 21s. per barrel (196 pounds).

AUSTRALIAN TRADE AND ECONOMIC NOTES

By K. F. NOBLE, *Acting Trade Commissioner at Sydney*

Butter Rationing

With the issue of new food and clothing ration books, operative from June 5, 1944, a cut of two ounces in the civilian butter ration, reducing it to six ounces per week, has been ordered. Each butter coupon has a value of half a pound as formerly, but

three coupons cover a four-week period instead of two coupons being good for a fortnightly period. Expectant mothers are still entitled to receive a weekly amount of eight ounces.

The reason for the cut in the butter allowance has been the steady decline in butter production in recent months.

Contributing factors are the unexpectedly dry autumn season; lack of manpower on farms, which has resulted in the selling of many dairy herds; high beef prices, causing a swing to meat production from milk production in many cases; and increased demands for bulk milk.

Butter consumption so far this year (which includes supplies for the armed services and export) averaged 9,000 tons a month, and reserves would have to be increased to 5,000 tons before the weekly civilian ration of eight ounces could be restored. However, it is hoped that this may be possible when increased spring supplies are obtainable.

No vegetable margarine is available for civilian use in Australia to supplement the butter ration. However, the quota of animal margarine for civilian use (95 per cent of which is distributed in bulk to bakers and pastry cooks) is 500,000 pounds a month, representing 10 per cent of total production.

Reduction in Sugar Output

The net profit of £873,969 realized by the Colonial Sugar Refining Co. Limited for the year ended March 31, 1944, is a decrease of £167,632 from the figure for the previous year and the lowest since 1932-33. Australian sugar production during the past season has been reduced to 505,000 tons, the smallest output since 1927. Shortages of manpower, fertilizers and farm implements have contributed to the decrease in Australia, while Fijian production was affected by strikes and industrial troubles.

Sales of refined sugar products in Australia and New Zealand totalled more than 500,000 tons, and those of "Cane-ite" board further increased. Distillery production, however, was affected by the shortage of raw material. It is estimated that the yield for the coming season will total 570,000 tons, which, however, is still below normal. The Fijian crop is expected to yield 85,000 tons.

Australian Food Exports During the War

Up to the end of December, 1943, the value of Australian food shipments to Britain, other parts of the Empire and Allied countries was £242,461,000. The value of exports of food and beverages to overseas destinations, and the percentages which these exports make up of total shipments were as follows:—to Britain, £129,527,000 (53·42 per cent); Egypt, Syria, Palestine, and other destinations undisclosed, £32,572,000 (13·43 per cent); India, Ceylon, Burma, £16,865,000 (6·96 per cent); Pacific Islands, £9,216,000 (3·8 per cent); British Malaya, £7,705,000 (3·18 per cent); Netherlands East Indies, £5,346,000 (2·21 per cent); South Africa, Rhodesia, British West Africa, British East Africa, £3,455,000 (1·42 per cent); all other countries, £37,775,000 (15·58 per cent).

The principal foodstuffs shipped were: butter, 757,224,000 pounds; cheese, 151,497,000 pounds; fruit, dried or in liquid, 856,593,000 pounds; meat, all kinds, 2,167,109,000 pounds; jams and jellies, 136,601,000 pounds; sugar, 23,588,000 pounds; eggs, in shell or as powder, 6,573,000 pounds; dried butterfat, 6,166,000 pounds.

Australian Timber Prospects

Before the outbreak of war, Australia was using timber at the rate of approximately 1,000,000,000 super feet per annum. Of this amount 65 per cent was produced locally, and most of the remainder was imported from Canada. During the war years consumption has not materially decreased. Although restrictions have been placed on private building, larger wartime demands have practically accounted for the saving and, owing to the difficulty of importing timber from overseas, local forests have been drawn on heavily for the necessary supplies.

Throughout Australia nearly 19,000,000 acres of land have been set aside for reserved forests, but this does not produce sufficient timber to meet the requirements of the Australian popula-

tion of 7,000,000. From figures and estimates supplied by forestry officials, it is probable that in the next few years the amount of timber available for cutting will be considerably reduced, and that the greater part of Australia's timber requirements will have to be imported.

Building of War Homes

Half of the wartime homes now being built in Australia are to be allotted to former servicemen, or their dependents, through the state housing authorities. The Commonwealth Housing Scheme is now in its second quarter, and the target has been increased to 1,500 homes per quarter as compared with 1,250 for the first quarter. Construction is being carried out by state authorities, each state having a share in the quarterly quota. The construction of wartime housing is being given the same priority as that accorded many defence undertakings.

The responsibility for allocating the houses, when they are completed, will rest with the state housing authorities, as they are more capable of dealing with the most urgent applications on a decentralized basis. In the case of applicants other than servicemen or their dependents, it is urged that special consideration be given to those now living in condemned or overcrowded premises, to families living under unsatisfactory conditions in boarding-houses, and to those unable to find accommodation reasonably close to their work. Other factors to be taken into consideration would be the willingness of a tenant to move from a house larger than he needed and the inability of applicants to obtain accommodation at a rental within their means.

Development of Defence Manufactures

Australia is now producing its own timber-constructed Mosquito aircraft, which are of the latest fighter-bomber type, capable of air airspeed of 400 m.p.h. The Mosquito is the fastest plane so far built in Australia. The engines are imported, as well as a few woods used in production, principally

South American balsa and Canadian spruce. The other woods, chiefly coachwood, are Australian.

It is also announced that the mass-production of Lancaster bombers in Australia is being undertaken, and that the first fully-equipped machines of this type will be ready for the air soon.

Australian-made Beaufort torpedo-bombers have been flying since the middle of 1941, while the 500th unit was handed over to the R.A.A.F. last November. At the beginning of June, 1944, the first Australian-built Beaufighter was turned over, although production commenced only six months previously. Torpedoes are also being manufactured in Australia through co-operation with the Ministry of Munitions and the Royal Australian Navy.

New Tin Recovery Process

The Division of Industrial Chemistry of the Council for Scientific and Industrial Research in Australia has developed a new process for recovering tin from lode tin ores. It is hoped that this process will facilitate the separation of a large proportion of the tin at present being discarded with the "tailings" or waste matter and also the recovery of tin from dumps left from former mining operations.

In the new process, flotation replaces the gravitation method used at present for the separation of tin from waste.

Employment Statistics

Latest statistics of workers in Australian factories show that 724,100 were employed in December, 1943, which is indicative of a steady reduction since the peak total of 738,500 in March of last year. Of the December total, 608,000 workers were employed in private factories and 116,100 in government plants.

Distribution of Radio Sets

According to the Annual Report of the Australian Postmaster-General, only 18.3 per cent of Australian homes did not have wireless receiving sets on June 30, 1943. During the year June,

1942 to June, 1943, licences were issued for wireless sets in 1,370,000 dwellings. Of all the states the highest proportion was in South Australia, with 97 per cent and 142,780 sets.

Although there are restrictions on the manufacture of new sets, the number of licences issued during the year increased by 49,927 as compared with an increase of 26,809 for the previous year.

Saving on Budget Estimates

The Commonwealth Government is expected to save between £30,000,000 and £40,000,000 on budget estimates of war expenditure this financial year, ending June 30, 1944.

For the first ten months of the financial year expenditure has been £451,362,000 as compared with the estimate for the whole year of £570,000,000. The April expenditure amounted to £39,900,000, while nearly £50,000,000 was spent in the same month last year and, if the same rate of spending is maintained in May and June, the Government should end the financial year with a surplus of nearly £40,000,000 over estimates, even though late adjustments may reduce this margin somewhat.

This saving, together with the amount raised from the First Victory Loan of £150,000,000, will mean a substantial drop in the use of central bank credit to finance the war.

Savings Bank Deposits and War Savings Certificates

As at April 30, 1944, the amount of savings bank deposits in Australia was a little over £450,000,000 as compared with £242,000,000 in April, 1939, an increase of £209,000,000 during the five years. The greater part of this increase has occurred since March 31, 1942, when the amount of savings bank deposits was approximately £260,000,000. Deposits at the end of April, 1944, were £4,729,000 higher than at the end of March, 1944.

Since March 18, 1940, when sales were first introduced, the net amount of £42,256,000 was subscribed for war savings certificates up to the end of April, 1944.

Banking Statistics

Deposits held by trading banks in the special wartime account with the Commonwealth Bank have reached a total of £177,876,000 as at May 1, 1944. This now exceeds the ordinary deposits at the Commonwealth Bank, which amount to £174,663,000. Ordinary deposits have also doubled during the war, the total at May 1, 1939, being £82,510,000.

The effects of wartime expansion are shown in the majority of the items in the Commonwealth Bank's balance sheet, chief among which is holdings of government securities which now amount to £238,799,000 as compared with £52,633,000 at the same date five years ago.

London credit amounts to £93,192,000 as compared with £15,986,000 before the war. Coin, bullion, and cash balances show a decline to the sum of £8,457,000, which is still considerably above the pre-war level of £1,607,000.

The note issue has risen to £183,762,000 as compared with £48,530,000 five years ago.

Wartime Profit Trends

The result of the Australian effort to keep profits low is indicated by the figures for 1943. In banking, other financial companies and other companies, the three main groups, the level of profits for 1943 was lower in all cases than in 1939.

Generally speaking, the tendency during 1943 was for profits to remain stable rather than decrease. Over-all figures prepared by the Commonwealth Bank show that profits, after taxation, were 5.9 per cent of shareholders' funds in 1943 as compared with 5.8 per cent in 1942. Dividends remained constant, representing 4.9 per cent of shareholders' funds in both years.

It should be noted that the foregoing are over-all figures, as there were marked differences in trends among the various industries and even among companies engaged in the same industry. Banking profits came nearest to achieving stability.

One of the most marked increases in total profits was in the food, drink and tobacco group, which seems to be reasonably assured of security for the duration of the war. A downward trend is most marked in the retail trade, owing to shortages of goods and to rationing, and also in the building trade, since private building has been drastically restricted, defence contract profits have been curtailed, and import restrictions have caused difficulties in the timber trade.

Wartime company taxation has risen from £15,800,000 in 1938-39 to £49,900,000 in 1942-43, an increase of 216 per cent. Profits before taxation in 1942-43 were about 35 per cent higher than in 1938-39, but after taxation were about 9 per cent lower than in the last pre-war year. Company taxation now includes ordinary income tax of 5s. in the pound, super tax on profits over £5,000, undistributed profits tax, and wartime (company) tax on a sliding scale.

Sydney, June 22, 1944.

WORLD WHEAT SITUATION

From the monthly review in *Dominion Bureau of Statistics Daily Bulletin*

With a record wheat crop in the United States now fairly well assured, and production in Canada much greater than it was in 1943, the total supply of wheat in North America for the 1944-45 season would appear to be as great as it was during the crop year 1943-44. Substantial stocks of wheat are held also in Argentina and Australia, thus assuring ample stocks to take care of a considerable enlargement in international wheat movement during the next twelve months.

The latest official estimate places production of wheat in the United States this year at 1,132,000,000 bushels, a record for that country. The carryover of old wheat amounted to 316,000,000 bushels, and total supplies, exclusive of imports in both years, are only 10,000,000 bushels less for the coming season than they were in 1943-44.

Canada's wheat crop in the Prairie Provinces is now being harvested and, while the first official estimate will not be made until September 12, several private estimates have been published indicating a crop of about 450,000,000 bushels. Such a crop, added to the carryover of 335,000,000 bushels on August 1, would give the Dominion almost as much wheat as was available during the 1943-44 crop year.

It is significant that Canada disposed of about 533,000,000 bushels of wheat during the twelve months ended

July 31, 1944. Exports accounted for about 344,000,000 bushels of this total, including the disappearance of about 160,000,000 bushels of Canadian wheat in the United States. This rate of exports could be maintained in the new season and still leave a carryover of about 275,000,000 bushels at the end of next July.

The position in Argentina and Australia will be influenced to a large extent by war developments. Both countries have a good supply of surplus wheat, although Australia's new crop prospects are not very promising, and her statistical position might be back to normal in 1945. Exports from Australia have been heavier in recent months, and drought is a serious threat to the crop that will be harvested in November and December this year.

The news concerning European crops this year continues generally favourable in character. The Continent, with some exceptions, appears to have a fairly good wheat crop in sight, while the United Kingdom again reports a good crop in the making, although acreage might be less than it was in 1943. The total wheat crop in Europe is estimated by some authorities to be less than it was last year and less than average but, in the absence of authentic information from Nazi-dominated areas, it is difficult to assess the new crops.

CANADA'S EXTERNAL TRADE, JANUARY-JULY

The value of Canada's external trade during the seven months ended July was \$3,063,480,000, exclusive of gold. This total was higher than in any other similar period in history and was only slightly below the aggregate for the calendar year 1941. The increase over the corresponding period of 1943 was \$478,285,000, or 18.5 per cent. For the month of July the total was \$430,235,000 as compared with \$457,410,000 in July, 1943.

Exports

Canada's merchandise export trade in July was valued at \$278,713,000. Although it did not equal the outward flow of commodities during the past few months, it was greater than in most months of 1943, at which time the trend toward the present high level of exports became apparent. The total for the seven months of the current year aggregated \$2,024,980,000 as compared with \$1,581,408,000 in the similar period of 1943, an increase of 28 per cent.

Commodity exports to the United Kingdom were valued at \$104,906,000 as compared with \$124,446,000 in July, 1943, while the total for the seven months of this year was \$757,668,000 as against \$574,334,000 in the like period of 1943. Exports to the United States in July amounted to \$98,790,000 as compared with \$90,841,000 a year ago, the total for the seven months of the current year standing at \$736,554,000 as against \$612,665,000 a year ago.

Shipments to British India were valued at \$19,091,000 as compared with \$10,976,000 in July, 1943, increasing the seven-month total to \$89,997,000 from \$78,469,000 in the same period of 1943. Consignments to Russia were valued at \$10,429,000 as against \$16,691,000 in July of last year, and for the seven months ended July totalled \$57,833,000 as compared with \$27,098,000. July exports to Egypt amounted to \$9,047,000 and in the seven months to \$80,290,000.

Exports to other leading countries were as follows, totals for July, 1943, being shown within parentheses: Australia, \$7,376,000 (\$5,617,000); New-

foundland, \$4,077,000 (\$3,298,000); Italy, \$4,052,000 (nil); French Possessions, \$3,180,000 (\$5,217,000); British South Africa, \$2,648,000 (\$1,362,000); Jamaica, \$2,162,000 (\$1,034,000); Eire, \$1,529,000 (\$712,000); British East Africa, \$1,145,000 (\$485,000); Trinidad and Tobago, \$1,440,000 (\$1,138,000).

The following were among the leading commodities exported, values for July of last year being shown within parentheses: wheat, \$32,255,000 (\$17,829,000); wheat flour, \$6,701,000 (\$6,251,000); fishery products, \$7,012,000 (\$5,480,000); furs, \$2,094,000 (\$1,859,000); meats, \$16,496,000 (\$16,002,000); eggs, \$2,027,000 (\$1,922,000); wool, \$1,342,000 (\$356,000); planks and boards, \$7,831,000 (\$5,903,000); newsprint paper, \$13,862,000 (\$13,454,000); farm implements, \$1,449,000 (\$1,310,000); chemicals, \$7,199,000 (\$7,684,000); fertilizers, \$1,216,000 (\$696,000); wood-pulp, \$7,891,000 (\$9,627,000).

Imports

Canada's merchandise imports in July were valued at \$148,452,000 as compared with \$150,883,000 in the corresponding month of last year. The total for the seven months ended July was \$1,012,981,000 as against \$990,567,000 in the similar period of 1943, an increase of 2.2 per cent. The United States accounted for the bulk of the imports, the total having been \$124,005,000 as compared with \$120,001,000 in July of last year, and for the seven months ended July it was \$832,972,000 as against \$808,399,000 a year ago.

Commodity imports from the United Kingdom were valued at \$5,863,000 compared with \$14,247,000 in July, 1943, the value for the seven months ended July amounting to \$60,325,000 as against \$79,538,000 in the comparable period of 1943. July imports from other leading countries were as follows, totals for July, 1943, being shown within parentheses: British India, \$2,629,000 (\$1,264,000); British Guiana, \$1,078,000 (\$1,148,000); Jamaica, \$1,191,000 (\$1,311,000); Newfoundland,

\$1,352,000 (\$1,183,000); Australia, \$1,597,000 (\$426,000); Colombia, \$1,071,000 (\$123,000); Mexico, \$1,283,000 (\$1,145,000).

The following were among the leading commodities imported in July, comparable figures for July, 1943, being shown within parentheses: fruits, \$6,826,000 (\$5,142,000); cotton, \$8,036,000 (\$6,406,000); wool, \$2,321,000 (\$4,987,000); rolling mill products, \$4,291,000 (\$6,106,000); engines and boilers, \$5,384,000 (\$4,224,000); farm implements, \$5,097,000 (\$2,339,000); machinery, except agricultural, \$5,670,000 (\$10,548,000);

vehicles, \$6,863,000 (\$6,911,000); electrical apparatus, \$3,994,000 (\$4,453,000); coal, \$10,180,000 (\$9,133,000); petroleum products, \$8,628,000 (\$9,073,000); chemicals, \$6,471,000 (\$6,082,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports and imports (excluding gold) by principal countries and commodities for the month of July and the seven months ended July, 1944 and 1943:

Exports by Principal Countries

	Month of July		Seven Months ended July	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	278,713	303,645	2,024,980	1,581,408
Empire countries	147,204	157,314	974,186	783,639
British East Africa	1,145	485	3,315	11,773
British South Africa	2,648	1,362	14,143	20,444
Southern Rhodesia	164	99	682	561
British West Africa	17	337	1,825	5,674
Bermuda	164	145	1,681	999
British India	19,091	10,976	89,997	78,469
Ceylon	803	1,640	2,859	3,981
British Guiana	98	572	3,682	3,826
Barbados	517	164	2,162	1,856
Jamaica	2,162	1,034	8,876	5,193
Trinidad and Tobago	1,440	1,138	9,920	7,589
British West Indies, other	564	161	3,438	2,380
Newfoundland	4,077	3,298	24,185	20,635
Australia	7,376	5,617	31,944	24,558
Fiji	4	1	305	149
New Zealand	239	4,971	7,946	18,472
Palestine	155	79	658	343
Eire	1,529	712	6,763	2,008
United Kingdom	104,906	124,446	757,668	574,334
Foreign countries	131,509	146,331	1,050,794	797,769
United States	98,790	90,841	736,554	612,665
Argentina	536	397	2,351	2,293
Bolivia	8	22	110	89
Brazil	699	375	3,335	3,222
Chile	177	87	878	741
China	1	....	14,855	....
Colombia	99	154	1,105	682
Costa Rica	16	27	229	106
Cuba	266	275	1,878	1,376
Ecuador	20	11	166	100
Egypt	9,047	22,286	80,290	92,026
French Possessions	3,180	5,217	19,533	12,392
Guatemala	55	16	217	144
Haiti	39	13	301	113
Honduras	3	9	61	85
Iceland	331	129	1,764	1,300
Iraq	970	1,102	4,827	13,878
Italy	4,052	....	92,659	....
Mexico	371	358	3,383	3,512
Netherlands West Indies	17	26	181	264
Nicaragua	24	22	142	171
Panama	28	212	375	416
Paraguay .....	....	....	13	10
Persia	94	7	439	50
Peru	53	77	770	446
Portugal	126	8	466	502
Portuguese Africa	109	4	278	23
Russia	10,429	16,691	57,833	27,098
Salvador	16	20	150	103
San Domingo	31	12	255	73
Spain	1	....	66	115

Exports by Principal Countries—Con.

	Month of July		Seven Months ended July	
	1944	1943	1944	1943
Foreign countries— <i>Con.</i>	Thousands of Dollars			
Switzerland	347	1,776	8,495	6,657
Turkey	3	5,257	6,639	10,314
Hawaii	254	34	959	1,286
Puerto Rico	63	54	1,005	772
Uruguay	148	22	768	519
Venezuela	81	56	911	379

Exports by Principal Commodities

Total domestic exports	278,713	303,645	2,024,980	1,581,408
Agricultural products	51,735	42,073	422,594	227,588
Fruits	117	82	3,174	1,696
Vegetables	665	263	6,602	4,172
Grains	37,270	27,496	286,300	144,635
Barley	3,410	5,715	16,607	19,122
Wheat	32,255	17,829	227,947	98,254
Wheat flour	6,701	6,251	55,360	39,970
Alcoholic beverages	1,227	950	10,650	7,929
Seeds	27	3,209	15,562	8,081
Animal products	34,370	29,503	229,233	161,795
Cattle (except for stock)	601	757	3,289	3,330
Fishery products	7,012	5,480	34,682	29,099
Furs (chiefly raw)	2,094	1,859	19,006	15,271
Hides, raw	51	28	363	418
Leather, unmanufactured	239	254	1,779	2,234
Leather, manufactured	397	205	2,171	1,140
Meats	16,496	16,002	133,797	79,371
Butter	209	37	1,182	248
Cheese	1,865	1,161	7,878	9,833
Eggs	2,027	1,922	11,484	10,888
Fibres and textiles	3,700	1,977	28,314	13,700
Cotton	408	676	3,702	4,013
Flax	102	118	1,461	1,707
Wool	1,342	356	12,065	1,802
Artificial silk	497	301	3,381	2,072
Wood and paper	37,565	35,747	237,766	207,656
Planks and boards	7,831	5,903	42,957	36,057
Timber, square	57	21	339	338
Shingles, red cedar	610	604	3,962	3,711
Pulpwood	1,650	1,974	9,591	8,285
Wood pulp	7,891	9,627	55,978	57,780
Paper, newsprint	13,862	13,454	89,875	77,434
Iron and products	80,827	85,960	502,057	349,845
Pigs, ingots, etc.	1,630	1,846	9,019	13,974
Rolling-mill products	1,033	314	5,602	1,839
Tubes and pipes	108	26	1,500	233
Farm implements	1,449	1,310	8,471	6,987
Hardware and cutlery	267	223	2,062	1,964
Machinery, other than farm	2,734	667	13,794	6,263
Motor vehicles and parts	38,725	64,585	272,708	240,991
Non-ferrous metals (excluding gold)	21,821	29,160	192,132	193,521
Non-metallic minerals	4,616	5,336	32,724	34,053
Coal	681	392	3,598	2,703
Petroleum	780	217	3,275	3,268
Stone	957	1,666	10,258	10,289
Chemicals	7,199	7,684	58,626	45,449
Acids	131	262	1,214	1,724
Fertilizers	1,216	696	14,546	9,788
Soda compounds	112	420	1,950	2,240
*Miscellaneous	36,878	66,205	321,535	347,801
Electric energy	706	686	4,653	4,521
Films	157	78	952	395

*Includes certain military stores.

Imports by Principal Countries

All countries	148,452	150,883	1,012,981	990,567
Empire countries	16,002	23,574	125,056	138,418
British East Africa	74	31	661	869
British South Africa	271	388	3,012	1,624
Southern Rhodesia .....	....	1	167	873
British West Africa	384	116	2,641	2,254
Bermuda	3	....	455	1
British India	2,629	1,264	17,842	9,374
Ceylon	2	355	2,872	5,092
British Guiana	1,078	1,148	4,477	4,092
Barbados	680	240	4,462	2,077

Imports by Principal Countries—Con.

	Month of July 1944	1943	Seven Months ended July 1944	1943
	Thousands of Dollars			
Empire countries— <i>Con.</i>				
Jamaica	1,191	1,311	7,426	5,496
Trinidad and Tobago	106	4	409	249
Other British West Indies	25	25	778	418
Newfoundland	1,352	1,183	4,800	3,581
Australia	1,597	426	6,201	3,751
Fiji .....	....	209	1,686	1,537
New Zealand	691	2,234	5,745	16,447
United Kingdom	5,863	14,247	60,325	79,538
Foreign countries	132,450	127,309	887,925	852,149
United States	124,005	120,001	832,972	808,399
Argentina	521	760	5,993	6,807
Bolivia .....	....	....	9	....
Brazil	673	319	5,120	1,929
Chile	21	50	327	384
China .....	....	1	1	19
Colombia	1,071	123	7,110	1,006
Costa Rica	32	353	687	1,182
Cuba	315	1,249	2,887	6,101
Ecuador	9	12	264	211
Egypt	6	....	96	57
Guatemala	78	301	2,573	802
Haiti	768	251	1,758	397
Honduras	86	21	507	92
Mexico	1,283	1,145	8,227	7,571
Netherlands West Indies .....	....	225	508	824
Nicaragua .....	....	158	1	158
Panama	2	12	4	67
Paraguay .....	....	34	95	448
Peru	17	....	77	555
Portugal	123	28	760	194
Salvador	65	255	2,063	828
San Domingo	882	....	2,996	5
Spain	200	137	1,598	401
Sweden .....	....	....	24	2
Switzerland	375	248	3,072	1,862
Puerto Rico	16	....	41	1
Uruguay	33	108	205	412
Venezuela	1,682	104	6,495	3,982

Imports by Principal Commodities

Total imports	148,452	150,883	1,012,981	990,567
Agricultural products	18,872	17,132	132,699	101,797
Fruits	6,826	5,142	34,994	24,856
Nuts	903	67	8,110	1,092
Vegetables	733	2,754	12,634	11,789
Grains and products	1,570	392	8,029	5,675
Oils, vegetable	972	1,675	6,684	8,630
Cocoa and chocolate	398	152	2,986	1,852
Coffee and chicory	1,155	1,232	9,941	4,147
Spices	162	80	619	646
Tea	896	595	8,971	7,582
Alcoholic beverages	459	379	2,915	2,317
Gums and resins	207	343	2,233	1,802
Seeds	12	55	1,123	1,362
Tobacco	142	93	926	604
Animal products	2,535	3,640	21,260	22,733
Fishery products	477	361	1,908	1,392
Furs (chiefly raw)	334	438	6,002	4,843
Hides, raw	311	624	2,805	4,379
Leather, unmanufactured	202	402	1,707	2,045
Leather, manufactured	229	297	1,558	2,060
Meats	47	183	1,034	1,687
Fibres and textiles	14,745	16,255	110,727	117,126
Cotton	8,036	6,406	52,863	52,083
Raw, and linters	3,524	2,385	22,483	18,596
Yarn	220	941	4,352	6,141
Fabrics	3,767	2,670	22,375	24,428
Flax, hemp and jute	1,506	1,448	11,133	9,076
Fabrics, flax and hemp	66	264	811	1,311
Fabrics, of jute	1,105	651	7,309	4,883
Silk	124	123	902	860
Fabrics	121	120	870	820
Wool	2,321	4,987	22,229	34,653
Raw wool	1,249	2,211	7,496	17,142

Imports by Principal Commodities—Con.

	Month of July		Seven Months ended July	
	1944	1943	1944	1943
	Thousands of Dollars			
Fibres and textiles— <i>Con.</i>				
Wool— <i>Con.</i>				
Noils and tops	250	569	3,666	5,158
Yarn	222	306	1,926	2,229
Worsted and serges	209	974	4,273	5,334
Wood and paper	3,325	3,293	24,289	23,489
Wood, unmanufactured	460	414	3,582	3,435
Planks and boards	320	207	1,620	1,728
Wood, manufactured	553	550	3,877	3,521
Paper	951	924	6,758	6,171
Books and printed matter	1,361	1,406	10,072	10,362
Iron and products	35,201	40,530	251,530	232,840
Pigs, ingots, blooms and billets	242	1,101	1,053	9,552
Castings and forgings	456	916	4,182	5,062
Rolling-mill products	4,291	6,106	27,464	39,562
Pipes and tubes	449	749	3,105	4,527
Engines and boilers	5,384	4,224	32,096	21,278
Farm implements	5,097	2,339	23,350	10,106
Hardware and cutlery	297	360	2,454	2,325
Machinery (except agricultural)	5,670	10,548	50,203	66,095
Stamped and coated products	125	71	931	998
Tools	657	1,147	5,510	6,370
Vehicles	6,863	6,911	59,265	34,823
Non-ferrous metals	7,816	11,577	65,101	60,538
Precious metals	88	300	727	768
Clocks and watches	391	302	3,154	2,089
Electrical apparatus	3,994	4,453	35,831	23,674
Non-metallic minerals	23,467	23,835	147,884	133,209
Clay products	778	1,341	7,040	7,964
Coal	10,180	9,133	62,339	50,482
Coke	997	952	5,629	6,168
Glass and glassware	838	953	7,469	6,281
Petroleum products	8,628	9,073	52,558	49,068
Stone and products	1,002	1,111	5,885	5,904
Chemicals	6,471	6,082	48,375	40,469
Acids	277	360	1,811	2,668
Cellulose products	400	441	2,853	2,770
Drugs and medicines	520	583	4,298	4,159
Dyeing and tanning materials	482	602	4,019	4,303
Fertilizers	298	288	2,583	1,959
Paints and varnishes	533	466	4,381	3,615
Inorganic chemicals	939	1,239	7,205	7,170
Soda and compounds	284	408	2,915	2,741
*Miscellaneous commodities	36,020	28,539	211,116	258,366
Amusement and sporting goods	109	113	1,045	543
Personal and household equipment	354	302	2,738	2,378
Refrigerators and parts	9	10	71	82
Musical instruments	36	36	272	309
Scientific equipment	741	873	5,101	5,334
Vehicles, n.o.p. (except iron)	4,587	6,000	38,019	28,650

* Includes certain military stores.

NATURAL AND SYNTHETIC RUBBER

From The Economist

Natural rubber has lost its monopoly during the war. Almost overnight the United States has created a synthetic rubber industry of a capacity not far short of the world's consumption of natural rubber before the war. The sudden inflation of the industry from small beginnings, irrespective of cost, has been made necessary by the Japanese occupation of Far-Eastern countries that contributed nine-tenths of the world's crude rubber supplies before

the war. Russia and Germany, too, have established the manufacture of rubber on a large scale as a means of safeguarding supplies in war.

After the war there will be two industries supplying two substances which, while not identical in quality, are physically interchangeable to a considerable extent. Inevitably, this means a complete change in rubber economics. The question is no longer whether synthetic rubber has come to

stay, but in what conditions and proportions natural and synthetic rubber will meet a demand which, though growing, is unlikely to absorb the potential output of both after the war.

Much the most important, but not the only factor that will influence the proportions in which natural and synthetic rubber will be used after the war is their relative price and convenience to the consumer. It is obviously impossible at this stage to forecast the supply price of the two varieties of rubber. Experience in the manufacture of synthetic rubbers has been too short. Moreover, natural rubber has by no means reached a stage of technical development at which its supply price will be subject only to minor and predictable changes. The conditions of supply are very different, not only between natural and synthetic rubber, but, in natural rubber, between plantations and small native gardens, and in synthetic rubber, between the various methods of production at present in use . . .

The life of a rubber tree, though not the only item in the capital cost of the estate, is about thirty years, while the physical life expectancy of the machinery and instruments used in synthetic plants is estimated to average about twelve years. The native rubber producer, of course, has virtually no capital costs. In short, overheads per ton of output are negligible for the native, and more than twice as high for the synthetic rubber manufacturer as

for the average estate. In view of the heavy fixed charges in the production of synthetic rubber, the rate of plant utilization is an important factor in its cost per pound.

In the matter of prime costs natural rubber production costs are very different from those of synthetic rubber. The rubber estate has appreciably higher labour costs than the synthetic plant. On the other hand, synthetic rubber production involves heavy costs for raw materials, such as petroleum or alcohol, and various chemicals, as well as for power. Relative prime costs are therefore largely a matter of wages for the estate and of raw materials for the synthetic rubber manufacturer. The small native producer, in contrast, has little or no labour costs apart from what he needs for subsistence.

Nothing would be more deceptive, however, than to attempt to forecast the markets for natural and synthetic rubber on the basis of present costs, even if fuller information were available. Both the natural and synthetic rubber-producing industries are essentially young industries. More than nine-tenths of the acreage under rubber in 1943 had been planted since 1909, and only between three and four per cent of the acreage had been replanted; the original tree population, in fact, still accounts for almost the entire area planted. Again, the manufacture of synthetic rubber on a large scale is still in the stage of experimentation and rapid technical changes.

ECONOMIC, TRADE AND PRODUCTION NOTES

Colombia

FOREIGN TRADE IN 1943

Imports into Colombia in 1943 were valued at 146,693,000 pesos and exports from Colombia at 218,527,000 pesos, according to figures issued recently by the National Controller. These totals compare with values of 104,981,000 pesos and 170,937,000 pesos respectively for 1942.

Values of imports from the six leading suppliers were: United States,

88,835,000 pesos; Brazil, 15,292,000; Argentina, 13,335,000; United Kingdom, 8,220,000; Canada, 3,705,000; Mexico, 3,182,000 pesos. Colombian exports to Canada were valued at 11,399,000 pesos.

Argentina

FINAL ESTIMATE OF 1943-44 CORN CROP

The final estimate by the Argentine Ministry of Agriculture of the current corn crop, harvested last April, Mr.

J. A. Strong, Canadian Commercial Attaché at Buenos Aires reports, is 343,700,100 bushels as compared with 76,503,154 bushels last year and a five-year average of 287,040,253 bushels.

ALCOHOL MANUFACTURE FROM CORN

In July the Argentine Government issued a decree calling for tenders for the manufacture of alcohol from corn up to a quantity of 120 million litres a year. The Government will provide the corn, writes Mr. J. A. Strong, Canadian Commercial Attaché at Buenos Aires, from the government-owned elevators at 6 pesos per 100 kilograms (at the official buying rate, 3·88 pesos equal one Canadian dollar). During the last three years huge quantities of corn, both in the cob and grain, have been burned for fuel in Argentina.

New Zealand

CONDITION OF PUBLIC FINANCES

Mr. C. B. Birkett, Acting Trade Commissioner at Auckland, reports under date June 24, 1944, that the New Zealand Acting Minister of Finance has announced that the Dominion's financial affairs for the year ended March 31, 1944, are satisfactory. The consolidated or civic account showed a surplus of well over £2,000,000 and objectives were all but attained in the social security and war expenses accounts.

Receipts under the war account for the year totalled £162,540,453, and expenditure amounted to £163,161,550. Expenditure was made up as follows: Navy, £8,248,000; Army, £78,087,000; Air Force, £33,753,000; civil, £7,860,000; reverse lend-lease, £24,453,000; redemption of war loans, £10,216,000; rehabilitation, £544,000. Receipts were distributed as follows: revenue, £57,307,000; lend-lease, £32,478,000; loans, £72,755,000.

Deducting the amount of over £10,000,000 included in loans and used in redemption of debt, the net receipts on war account total £152,324,000, and net expenditure, excluding reduction of debt, amounts to £152,945,000 as compared with the budget estimate of £148,000,000.

Under the consolidated account, receipts for the year totalled £48,828,273 and expenditure £46,595,693, leaving a surplus of £2,232,580. This situation is regarded as particularly satisfactory in view of the extent to which the consolidated fund is being used to assist the war account. By the transfer of moneys in this respect there has been no need to borrow. Borrowing for national development account, concerning which there has been criticism in previous years, was held to £4,000,000, although £6,500,000 was the budget estimate. Treasury bills outstanding were reduced from £55,954,000 on March 31, 1943, to £55,615,000.

The social security fund started the year with a cash balance estimated to be sufficient to meet the anticipated excess expenditure. While expenditure exceeded the estimate by £230,667, the revenue was higher than anticipated by £1,217,085; thus the account was balanced. Total receipts to the fund amounted to £17,492,085, and expenditure was £17,633,747, the principal disbursements being: monetary benefits, £12,282,200; hospital, etc., benefits, £5,351,547.

MEAT PRODUCTION

Contrary to estimates made early in the year indicating a serious decline in New Zealand's export of meat, an improvement in the rate of killings has been reported by the Meat Producers' Board for the second time in a month. Wether production is now within 29,000 carcasses of the killings at the corresponding date last season, and ewe mutton killings are 14,000 carcasses ahead of the previous season's total, and the improvement now exceeds 88,000. The reduced production of lambs in the past season, previously reported to have been over 1,000,000 carcasses behind the figure for last year, has decreased to just over 900,000 carcasses.

Total killings from October 1 to May 27, with the comparable figures for last season shown within parentheses, are as follows: lambs, 9,601,000 (10,534,000); wethers, 553,451 (582,649); ewes, 1,752,000 (1,663,000); beef (quarters), 258,816 (469,698).

TRADE OF THE PORT OF AUCKLAND

During the year ended September 30, 1943, a greatly increased tonnage of goods and shipping was handled at the port of Auckland as compared with the previous year. According to the annual report of the Harbour Board, the quantity—a large proportion of which comprised war supplies—amounted to 3,126,271 tons, exceeding by 29½ per cent the previous peacetime record of 1939. The gross tonnage of shipping entering the port totalled 4,756,066, an increase of more than 500,000 tons over the previous year.

DAIRY OUTPUT

New Zealand concluded this year, the third successive unfavourable season, the last season being more noted for unfavourable climatic conditions than the previous two, writes C. B. Birkett, Acting Trade Commissioner at Auckland. The feed shortage during the winter of 1943, combined with the bad weather, led to an appreciable mortality among dairy cows and the poor wintering of stock generally.

In many districts the herds commenced last season (October 1, 1943) in poorer condition than usual, a direct result of which was a marked decrease in production. An improvement in weather conditions later in the season helped to save the situation somewhat. Contributing causes to decreased production were the use of less fertilizer, shortage of farm labour, and the milking of considerably fewer cows.

Total gradings for export to the end of April last, which marks nine months of the production year, showed a decrease in both butter and cheese. The butter-fat production fell 9·74 per cent as compared with the similar period of the previous year. Before the war statistics of butter-fat production for export gave a fair indication of total production, but to-day the statistics cannot be relied upon because of the large quantities of dairy produce, including dried milk and condensed milk and cream, required for the armed forces in this theatre of war.

Total value of dairy products exported for the year ended March 31

was £24,013,294, a decrease of over £5,000,000 from the 1942-43 year value. Of the total exported, butter was valued at £15,487,668 and cheese at £7,974,547.

United Kingdom

HARBOUR DEVELOPMENT IN SCOTLAND

It is reported that Scotland, birth-place of the world's fastest and largest liners, is ready to spend £20,000,000 on post-war harbour reconstruction, writes G. B. Johnson, Canadian Trade Commissioner at Glasgow. Aberdeen, preparing for post-war trade with Russia and Scandinavia, has already adopted a £500,000 five-year plan for harbour extension and a deep-water berth.

Lord Leathers, Minister of War Transport, has asked for development plans so that his Ministry can arrange a long-term program, with priority for Highland areas. This precedence for the modernization of Highland docks and harbours is apparently intended to tie in with the £30,000,000 hydro-electric scheme for that area, the preliminary work on which was launched some months ago. (A brief report on this scheme was printed in *Commercial Intelligence Journal* No. 2034: January 23, 1943.)

In the opinion of Sir Patrick Dollan, former Lord Provost of Glasgow, new docks, equipment and piers are needed all over Scotland, and far-reaching schemes are needed also in the islands if shipping is to hold its own with cheap airlines. Sir Patrick believes that Scotland will be a world cargo centre after the war because some of the English docks will have to rely on the north to help them out with the huge expansion of Empire trade which is expected to follow the end of hostilities.

SHIPBUILDING AND ENGINEERING

It is reported that a satisfactory level of production is being maintained in the shipbuilding, engineering and munition-making districts of Scotland, although there is some reduction as a result of the successive closing of works for ten-day holiday periods. The staggering of the holidays among

the yards and factories seems to be working out well.

On the day after the landing in Normandy the Engineering and Ship-building Shop Stewards' Committee in Glasgow appealed to all their workers to do all in their power to meet the needs of the fighting services, so as to ensure the success of the invasion with a minimum loss of life. Many shipyard workers might be asked to go to vulnerable areas near the war theatres to carry out repairs on war-damaged vessels. When the call came from the Admiralty for volunteers for repair work on the Normandy beaches, the response of the Clyde shipyard workers passed all expectations. Four times as many men as were needed offered their services and hundreds were disappointed. A number were sent also

to do ship-repairing work at English ports on the Channel coast.

It was reported in the *Commercial Intelligence Journal* some months ago that steps are being taken by the Scottish Council of Industry to establish more light engineering industries to obtain a better balanced industrial structure between such works and the heavy industries upon which Scotland has been mainly dependent in the past. The most important industrial development in Scotland during the last few weeks was the opening of a new light-metal factory, the first of its kind in the country. It is expected that its existence will attract subsidiary industries to the neighbourhood, which is in the East of Scotland. It has been erected for the Ministry of Aircraft Production.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy terri-

tory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy sub-

jects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, whether they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

TRADE REGULATIONS AND TARIFF CHANGES

United Kingdom

LABELLING OF FOOD ORDER, 1944

Referring to the article under the above heading in *Commercial Intelligence Journal* No. 2118 (September 2, 1944), page 205, following is text of the main provisions of the Order:

THE LABELLING OF FOOD ORDER, 1944

In exercise of the powers conferred upon him by Regulation 2 of the Defence (Sale of Food) Regulations, 1943, and of all other powers him enabling, the Minister of Food hereby makes the following Order:—

1.—(1) In this Order—

“The Minister” means the Minister of Food.

“Advertisement” includes any notice, circular, label, wrapper or other document, and any public announcement made orally or by any means of producing or transmitting light or sound.

“Food” means any article used as food or drink for human consumption and includes any substance which is intended for use in the composition or preparation of food, any flavouring, sweetening matter or condiment, and any colouring matter intended for use in food, and an article shall not be deemed not to be food by reason only that it is also capable of being used as a medicine.

“Food imported on government account” means food imported into the United Kingdom the property in which was at the time of importation vested in, or which

was at that time consigned directly to, His Majesty or a government department, or a person acting as agent to His Majesty or a government department, in connection with any of the purposes specified in subsection (1) of section one of the Emergency Powers (Defence) Act, 1939.

“Pre-packed” means packed or made up in advance ready for retail sale in a wrapper or container, and—

(a) where any food packed or made up in a wrapper or container is found on any premises where such food is packed, kept or stored for sale, the food shall be deemed to be pre-packed unless the contrary is proved, and it shall not be sufficient proof of the contrary to show that the food had not been labelled in accordance with the provisions of this Order;

(b) the expression “pre-pack” shall be construed accordingly.

“Public Analyst” has the same meaning as in the Food and Drugs Act, 1938.

“Retail sale” means any sale to a person buying otherwise than for the purpose of re-sale, but does not include a sale to a caterer for the purposes of his catering business, or a sale to a manufacturer for the purposes of his manufacturing business.

(2) Any reference in this Order to a label marked on a wrapper or container shall be construed as including a reference to any legible marking on the wrapper or container however effected.

(3) Save as otherwise provided in this Order any description or definition of any food in any Order of the Minister for the time being in force shall apply for the purposes of this Order and where any food is

described or defined in an Order of the Minister regulating prices and also in any other Order of the Minister, only the description or definition mentioned in the first-mentioned Order shall apply for the purposes of this Order.

(4) References in this Order to any Order or Regulations shall be construed as referring to that Order or those Regulations as amended by any subsequent Order or Regulations whether made before or after the making of this Order and, if any Order or Regulations referred to in this Order is or are replaced by any such subsequent Order or Regulations the references shall be construed as referring to that subsequent Order or those subsequent Regulations.

2.—(1) Subject to the provisions of this Article and to the exemptions specified in the First Schedule to this Order, no person shall sell by retail or display for sale by retail any pre-packed food, unless there appears on a label marked on or securely attached to the wrapper or container a true statement as to the matters hereafter mentioned in this Article.

The said statement shall be clearly legible and shall appear in a prominent position on the label, and, if the food is pre-packed in more than one wrapper or container, the label shall be marked on or attached to the inner wrapper or container and, if it is not clearly legible through the outer wrapper or container, a label bearing a like statement shall be marked on or securely attached to, or be clearly legible through, the outer wrapper or container.

(2) The said statement must specify the name of either the packer or the labeller of the food and an address at which such person carries on business:

Provided that—

- (a) where the food is packed or labelled on behalf of or on the instructions of another person and such other person carries on business at an address in the United Kingdom, the statement may specify the name and the said address of that other person instead of the name and address of the packer or labeller, as the case may be;
- (b) it shall be sufficient if instead of the particulars specified in this paragraph there appears prominently on the label a trade mark (other than a certification trade mark) of which there is in the Trade Marks Register kept under the authority of the Trade Marks Act, 1938), a subsisting entry in respect of such food, and if there is associated therewith on the label the words "Registered Trade Mark".

(3) The said statement must also specify the common or usual name (if any) of the food and also, in the case of a food made of

two or more ingredients, the common or usual name of each ingredient, and the name of an ingredient shall be a specific and not a generic name, and the ingredients shall be named in the order of the proportion in which they were used, the ingredient used in the greater proportion (by weight) being named first:

Provided that—

- (a) it shall not be necessary to state that the food contains water;
- (b) where a food contains an ingredient which is made from two or more constituents, those constituents shall be specified and it shall not be necessary to specify that ingredient.

(4) The said statement must also specify the minimum quantity of the food in the wrapper or container expressed according to the custom of the trade either in terms of net weight, or of measure or of number:

Provided that in any case where the weight of the wrapper or container is permitted by section four of the Sale of Food (Weights and Measures) Act, 1926, to be included in the weight purported to be sold and complies with the requirements of that section, it shall be a sufficient compliance with this paragraph if the statement specifies the minimum weight of the food with its wrapper or container.

(5) Paragraphs (1) to (4) of this Article shall not apply—

- (a) to any food packed for sale by a retailer in a wrapper or container on the premises where it is sold by him, if neither the wrapper nor the container nor any label printed thereon or attached thereto or otherwise given or to be given with the food bears any words referring in any way to the food;
- (b) to any food imported on government account which is still contained in the wrapper or container in which it was so imported;
- (c) to any food packed specially for consumption by His Majesty's Forces or the forces of any of His Majesty's Allies or Co-belligerents;
- (d) to any assortment of foods packed for sale as a meal and ready for consumption without cooking, heating or other preparation;
- (e) to any food intended at the time of sale for export from the United Kingdom or for use as ships' stores.

(6) Where any food is pre-packed in a wrapper or container containing less than one-half of an ounce or less than one-half of a fluid ounce, as the case may be, and owing to insufficient space on the wrapper or container it is not reasonably practicable for all the particulars specified in paragraphs (2) to (4) of this Article to appear on the label, it shall only be necessary to specify such of these particulars as it is reasonably practi-

cable to specify, and they shall be specified in the following order of priority, that is to say, the particulars required by paragraph (3) shall be specified first, and the particulars required by paragraph (4) shall be specified next.

3.—(1) Every seller who delivers any pre-packed food pursuant to a sale otherwise than by retail shall either—

- (a) deliver the food labelled in the manner prescribed by Article 2 of this Order in relation to a retail sale of such food; or
- (b) deliver the food unlabelled and furnish to the purchaser not later than 14 days after the delivery an invoice or other document containing a statement of such particulars as may be necessary to enable a retail trader to comply with the provisions of paragraphs (3) and (4) of Article 2 of this Order.

For the purposes of this paragraph pre-packed food shall be regarded as unlabelled only if no words or marking referring in any way to the food appear on the wrapper or container or on any label printed thereon or attached thereto, save that the food shall not be regarded as labelled merely by reason that the wrapper or container has been marked at the time of packing with such words or other marking as are reasonably necessary to identify the goods.

(2) The preceding paragraph of this Article shall not apply in the case of any food specified in paragraph (5) of Article 2 of this Order or in Table B in the First Schedule to this Order.

4. No person shall remove, add to, alter, deface or render illegible any statement upon a label printed on or attached to a wrapper or container in pursuance of Articles 2 or 3 of this Order:

Provided that it shall be a defence in any proceedings for an infringement of this Article for the defendant to prove either—

- (a) that the food was in his possession at the time of the infringement otherwise than for sale; or
- (b) that he acted without intent to deceive.

5.—(1) Subject to the provisions of this Article no person shall—

- (a) give with any food sold by him a label, whether attached to or printed on the wrapper or container or not, which makes a general claim that vitamins or minerals are present in the food;
- (b) have in his possession for sale any pre-packed food which bears such a label as aforesaid; or
- (c) publish, or be a party to the publication of, an advertisement of any food which makes any such general claim as aforesaid;

unless the food contains, in the case of a claim as to vitamins, one or more of the substances specified in the first column of Part I of the Second Schedule to this Order or, in the case of a claim as to minerals, one or more of the substances specified in the first column of Part II of that Schedule, and the label or advertisement, as the case may be, specifies the minimum quantity of each such substance contained in each ounce or fluid ounce of the food, expressed in the units specified in relation to that substance in the second column of the said respective Parts.

(2) Subject to the provisions of this Article no person shall—

- (a) give with any food sold by him a label, whether attached to or printed on the wrapper or container or not, which claims or in any way suggests that any particular substance or substances specified in the first column of the Second Schedule to this Order is or are present in the food;
- (b) have in his possession for sale any pre-packed food, which bears such a label as aforesaid; or
- (c) publish, or be a party to the publication of, an advertisement of any food which makes any such claim or suggestion as aforesaid;

unless the label or advertisement, as the case may be, specifies the minimum quantity of every such substance contained in each ounce or fluid ounce of the food expressed in the units specified in relation to that substance in the second column of the said Schedule.

(3) The provisions of this Article shall not apply to—

- (a) fruit and vegetables, including fruit and vegetables which have been preserved by freezing or by gas or cold storage or by any other method of storage, but excluding fruit or vegetables which have been canned or bottled or preserved otherwise than as aforesaid;
- (b) any food served by a caterer as a meal or part of a meal in the course of his catering business.

(4), (5), (6) [Defences.]

(7) This Article shall be without prejudice to the requirements of Articles 2 and 3 of this Order.

(8) This Article, except so far as it relates to advertisements, shall not apply to any food imported on government account which is still contained in the wrapper or container in which it was imported.

6.—(1) In any proceedings for an infringement of Articles 2 or 3 of this Order in respect of the weight or measure of any pre-

packed articles of food the court shall disregard any inconsiderable variation in the weight or measure of a single article, and shall have regard to the average weight or measure of a reasonable number of other articles of the same kind (if any) sold by the defendant, or in his possession for the purpose of sale, on the same occasion, and generally to all the circumstances of the case.

(2) In any proceedings for an infringement of Articles 2 or 3 of this Order in respect of the weight, measure or number of any pre-packed articles of food it shall be a defence for the defendant to prove either—

- (a) that the offence was due to a bona fide mistake or accident or to other causes beyond his control and that he took all reasonable precautions and exercised all due diligence to prevent the offence; or
- (b) that the alleged deficiency was due to unavoidable evaporation and that due care and precaution had been taken to avoid such deficiency.

7. [Defences.]

8. [Right of defendant to summon person responsible for offence.]

9. [Certificate of public analyst.]

10. [Enforcement by Weights and Measures Authorities.]

11. [Application to Scotland.]

12. [Application to Northern Ireland.]

13.—(1) The provisions of this Order are subject to any direction which may at any time be given by or on behalf of the Minister, and to any licences or authorizations which may be granted by or on behalf of the Minister under this Order.

(2) Every person holding a licence or authorization granted under this Order shall comply with every condition imposed by such licence or authorization.

14. Infringements of this Order are offences against the Defence (Sale of Food) Regulations, 1943.

15. This Order shall come into force on the 1st day of January, 1945, and may be cited as the Labelling of Food Order, 1944.

By Order of the Minister of Food.

THE FIRST SCHEDULE

FOODS EXEMPT OR PARTLY EXEMPT FROM ARTICLE 2 OF THE ORDER

The foods specified in the first column of Table A below shall be exempt from such of the provisions of Article 2 of the Order as are specified in the second column of the Table, to the extent shown in the third column of the Table.

TABLE A

Column 1	Column 2	Column 3
Description of Food	Provision of Article 2 from which exempt	Extent of exemption
1. Any food specified in Table B below which is pre-packed for sale as such.	The whole Article.	Wholly exempt.
2. Beef sausages (other than canned)..... Pork sausages (other than canned)..... Slicing sausage (other than canned)..... Beef sausage meat (other than canned)..... Pork sausage meat (other than canned)..... Sugar..... Yeast..... Unfermented apple juice and soft drinks in solid, semi-solid or powder form.....	Paragraph (2)	Wholly exempt.
3. Spices of any description and flavouring essences, whether pre-packed for sale as such or forming an ingredient of some other food..... Colourings other than those pre-packed for sale as such...	Paragraph (3)	Exempt to the extent that they may be designated as spices, flavourings or flavouring essences and colourings without further specification as to their common or usual name or as to composition.

TABLE A—Concluded

Column 1	Column 2	Column 3
Description of Food	Provision of Article 2 from which exempt	Extent of Exemption
4. Specialty flour whether pre-packed for sale as such or forming an ingredient of some other food.	Paragraph (3)	Exempt to the extent that ingredients or constituents which for the purpose of the Flour Order, 1944, are authorized ingredients of National flour or "M" flour need not be specified.
5. Preservatives as defined in the Public Health (Preservatives, etc. in Food), Regulations, 1925, whether pre-packed for sale as such or forming an ingredient of one of the foods specified in paragraph 1 of the Second Schedule to those Regulations.	Paragraph (3)	Wholly exempt if the label complies with the requirements of the Public Health (Preservatives, etc., in Food) Regulations, 1925-1940.
6. Any food specified in Column 1 of Table C below if the food is pre-packed for sale as such and complies as regards composition with the requirements of the Order specified in relation thereto in Column 2 of that Table. Any of the following foods when pre-packed for sale as such:— Biscuits..... Condensed milk as defined by the Public Health (Condensed Milk) Regulations, 1923 and 1927. Curry Powders..... Pickles and sauces, other than salad cream, mayonnaise and sandwich spread.	Paragraph (3)	Exempt to the extent that ingredients need not be specified.
7. Any food specified in entry No. 6 in this column or in Table B below where such food forms an ingredient of some other food.	Proviso (b) to paragraph (3)	Exempt to the extent that it may be designated by its common or usual name without specifying the ingredients.
8. Biscuits when sold or to be sold by the packet or by the piece at a price not exceeding 3d. per packet or piece. Condensed milk, as defined by the Public Health (Condensed Milk) Regulations, 1923 and 1927. Dried milk, as defined by the Public Health (Dried Milk) Regulations, 1923 and 1927, including sweetened or modified dried milk, but not including compounded dried milk.	Paragraph (4)	Wholly exempt.

TABLE B

(Foods wholly exempt from Article 2 when pre-packed for sale as such and partly exempt when forming an ingredient of some other food)

Bread (not including breadcrumbs).

Butter and milk blended butter.

Cakes.

Cheese, including processed cheese, blue vein, soft curd or cream cheese and cheese made from milk other than cow's milk.

Compound cooking fat.

Intoxicating liquor, that is to say, spirits, wine, beer, porter, cider, perry and sweets and any fermented, distilled or spirituous liquor which cannot be lawfully sold without an excise licence.

Liquid milk of any description.

Margarine (not including vegetarian butter).

Meat pies.

National flour and "M" flour.

Soft drinks, if specified in Part I of the First Schedule to the Soft Drinks Order, 1943.
 Still spa water.
 Sugar confectionery, chocolate and chocolate confectionery.

TABLE C

(Foods of which the ingredients need not be specified, if the food complies as regards composition with the requirements of the Orders in Column 2)

Column 1	Column 2
Any food for which a standard is prescribed by an Order under Regulation 2 of the Defence (Sale of Food) Regulations, 1943.	The Order prescribing the standard.
Canned fruit, if specified in Part I of the First Schedule to the Order in Column 2.	The Canned Fruit and Vegetables Order, 1944.
Christmas puddings.....	Order, dated September 11, 1943, prescribing appointed days under the Manufactured and Pre-packed Foods (Control) Order, 1942, and granting a General Licence thereunder (S.R. & O. 1943 No. 1318).
Fish cakes.....	The Fish Cakes (Maximum Prices) Order, 1943.
Jam and marmalade.....	The Jam and Marmalade (Maximum Prices) Order, 1942.
Meat or fish paste (canned or otherwise).....	The Canned Meat and Canned Soup (Control and Maximum Prices) Order, 1941, and the Meat Products and Cooked Meat (Control and Maximum Prices) Order, 1942.
Meat roll or galanine (canned or otherwise)	
Canned ready or prepared meal.....	
Canned soup.....	
Beef sausages, pork sausages, slicing sausage, beef sausage meat and pork sausage meat (other than canned).....	The Saccharin (Control and Maximum Prices) Order, 1944.
Standard saccharin tablets.....	
Sweetening tablets.....	

THE SECOND SCHEDULE

PART I

Column 1	Column 2
Vitamin A.....	International units of vitamin A.
Vitamin B1.....	Milligrams of aneurin hydrochloride.
Vitamin B2 (Riboflavin).....	Milligrams of riboflavin.
Vitamin C.....	Milligrams of ascorbic acid.
Vitamin D.....	International units of vitamin D.
Carotene.....	International units of vitamin A, on the basis that 0.6 microgram of betacarotene is equivalent to one international unit of vitamin A.
Nicotinic Acid, Nicotinic Acid Amide and their active derivatives.	Milligrams of nicotinic acid, or the chemically equivalent quantity of nicotinic acid in milligrams.

PART II

Column 1	Column 2
Calcium.....	Milligrams of calcium.
Iodine.....	Micrograms of iodine.
Iron.....	Milligrams of iron.
Phosphorus.....	Milligrams of phosphorus.

Barbados**IMPORTATION OF ADVERTISING MATERIAL
ALLOWED**

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports under date August 23 that the Barba-

dos Control Board has issued a notice removing almanacs, calendars, diaries, and advertising matter for utility purposes from the list of prohibited imports. The importation of these articles into Barbados will be allowed provided no currency is required.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 5, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, September 5, 1944, and for the week ending Monday, August 28, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending August 28	Nominal Quotations in Montreal Week ending Sept. 5	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies . Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2766	.2758	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre, 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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INDIAN MARKET SURVEY

I. Description of Country

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

(One Rupee is approximately equivalent to \$0.335 Canadian)

India is one of the leading trading countries of the world, having in 1939 ranked tenth among importers, eighth among exporters, and ninth in respect of aggregate trade.

Canadian exports to this country have been comparatively small. This has been due to an absence of demand for many of Canada's principal exports and in some instances to the inability of Canadian industry to compete with European manufacturers. Abnormal conditions resulting from the war have, however, induced a substantial increase in the value and, to some extent, in the variety of the business. Canada's position as a source of Indian imports improved from twenty-first place in 1937-38 to fifth in 1941-42.

Canadian exports to the Indian market have customarily been much smaller than imports of Indian prod-

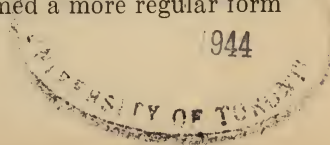
ucts. The ratio has varied from 2 to 1 to 4 to 1 in India's favour. Increased wartime shipments to this market led to a reversal of the position during 1941-42 and 1942-43, but it has recently shown signs of a return to the pre-war basis.

Several wartime developments in the trade between the two countries offer some ground for the expectation that succeeding years may witness a more intimate commercial relationship between India and Canada than has existed to date. The report herewith may accordingly be of general interest to Canadian exporters who are at present or may in future be concerned with sales to this territory.

Geography

With the separation of Burma from the Indian Empire on April 1, 1937, India has assumed a more regular form

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than indicated by many maps in current use. Within its present frontiers India is roughly diamond-shaped, the four points or corners being at the junction of the Burma and Tibetan borders on the east, the extremities of Kashmir on the north, the Baluchistan-Iran frontier on the east, and Cape Comorin to the south. From east to west India is approximately 2,200 miles in extent, while the distance from northern Kashmir to the southernmost tip of the peninsula is only some 200 miles less. The area of the country is estimated at 1,575,000 square miles.

In the main, India is a vast plain, bounded on the north and northeast by the Himalaya mountains and subsidiary ranges. There are mountainous areas in the southern part of Madras province, while many districts along the western coast are considerably above sea-level, but the major part of the total area is flat or rolling country at low elevations.

Climate

The Indian climate is one of great variations and extremes. The southern half of the country lies within the tropics, while mountainous areas in the north, which attain great heights above sea-level, enjoy totally different climatic conditions. Such factors are supplemented by the influence of the monsoons, or prevailing winds, which produce a period of clear cool weather at the end of each year and the beginning of the succeeding one, followed in March by an increase in temperature and humidity which reaches extreme levels and is only broken by the advent of the rainy season in June or July. This season generally lasts for three months.

Temperatures exceeding 120° F. are common throughout central India and in the Punjab and Sind provinces, while in the cool season they fall below freezing point. In more southerly areas and along the coasts there is less variation. Normal annual maximum

and minimum temperatures in the cities of Calcutta and Bombay are 86·9 and 70·7 and 86·6 and 73·6 degrees respectively.

Precipitation is generally heavy throughout the greater part of India, although extremely light in many parts of Sind Province. Cherrapunji, a station in Assam, has experienced over 900 inches of rain in one year, with an average of more than 600 inches, while for many other points over 100 has been recorded. In parts of northwestern India, on the other hand, records show that total annual precipitation is less than 10 inches, while for some individual stations it is no more than 3·5 inches. In Calcutta and Bombay normal annual rainfall is 62·5 and 70·6 inches respectively.

European Settlement

A brief survey of India's recent history begins with the settlement of Portuguese traders and missionaries at several ports on the western coast in the early years of the sixteenth century. It was almost a century later that organized steps were taken by a number of London merchants to develop trade with this country. These led eventually to the establishment of the East India Company.

The concurrent decline of the Moghul Empire and the successes of British traders in competition with French and other rival interests gradually led to the establishment of British governments in Madras, Calcutta, and Bombay and the extension of British power up to a point where all the country except several small French and Portuguese outposts has come under British rule or influence.

Government

Political India is made up of British India, the Indian States, and a few small French and Portuguese colonies on the eastern and western coasts. British India comprises some two-thirds of the total area and four-fifths of the population. The system of

government visualized by the India Acts of 1919 and 1935, following the agreement of local and British interests to work towards Dominion status, was to be based on provincial autonomy and a central government comprised of representatives of the provinces and the Indian states.

Provincial governments have been established and in operation for some time. They are charged with numerous local responsibilities but are subject to special instructions or control by the provincial governors in certain cases.

The Central Government, as now constituted, is a bi-cameral body, partly elective and partly nominated. It will remain in existence in its present form only until federation has become an actuality. At such time far-reaching changes in India's governmental structure may be expected, while it is hoped that the means already provided for the attainment and satisfactory working of Dominion status may be put to practical advantage shortly after the end of the war.

The Indian states are those areas which were independent political units at the time of British occupation and with which treaties or similar agreements were concluded guaranteeing their independence and according them advice and co-operation by the Crown representative. Some of these states have been absorbed into British India following the decline or disappearance of the ruling family or as result of mismanagement, but the majority of them still exist.

Treaties with the states confer wide powers on their rulers, who are more or less absolute within their own territories. They are at the same time obligated in various ways to His Majesty the King-Emperor through his representative in India. Several of the larger states have achieved marked progress in the administration of their territories.

Population

India's population is approximately 400,000,000, having increased by some

30 per cent since 1921. The great majority of the people are resident in rural areas. Calcutta, the largest city, supports a population of slightly less than 1,500,000, while Bombay numbers some 1,150,000 inhabitants. The other principal centres of population are Madras, Lahore, Ahmedabad, Bangalore, and Lucknow.

The Hindu and Mahomedan religions are predominant, some 68 per cent of the total population being adherents of the former faith and 22 per cent of the latter. Buddhists, Christians, and Sikhs make up the bulk of the remainder, along with considerable numbers who are given to the primitive beliefs of native tribes.

Natural Resources and Primary Industries

India's natural resources comprise vast areas of arable land and many valuable mineral deposits. The forests and fisheries are of less importance. Water-power resources are considerable.

AGRICULTURE

It is estimated that India has some 350,000,000 acres of arable land and that almost 250,000,000 acres are at present under cultivation. The principal crops are wheat, rice, millets, and maize, which are required to support the country's large human and animal populations. Cash crops such as tea, cotton, jute, sugar cane, tobacco, and groundnuts are grown in various areas particularly suited to such production.

Agricultural methods in India are, in the main, extremely primitive, and the lack of modern equipment and indifference to accepted technique is reflected in low output as compared with other agricultural communities. The small returns received by the farmer and a universally low standard of living, in addition to out-dated traditions and religious beliefs, tend to impede progress in the improvement of agricultural output and the quality of crops.

India supports a large animal population, which is mainly comprised of

cattle, buffaloes, goats, and sheep. It is estimated that there are some 84 million head of cattle and oxen, 29 million head of buffaloes, 26 million head of goats, and 22 million head of sheep. There are, as well, some 14 million horses and ponies and substantial numbers of mules, donkeys, and camels. These animals are used rather for transport purposes than for farm work.

Among the more important branches of agricultural production with relation to industry are tea, tobacco, sugar, cotton, and jute. Reference is made in later sections of this report to the industries based on these raw materials.

The central and provincial governments have done a great deal to improve agricultural technique and to bring about an improvement in the standards of living of the agricultural community. These efforts have taken the form of experimental farms, live-stock shows and demonstrations, marketing surveys, instruction in grading, experiments in cold storage, and the design and construction of irrigation systems.

MINES AND MINERALS

India possesses large and varied mineral resources. Outstanding among them are the coal deposits of Bengal, Bihar, and Orissa. The production of these mines and of smaller deposits in other parts of the country amounts to 25,000,000 to 30,000,000 tons per year. Mineral deposits of secondary importance comprise iron ore, manganese ore, gold, petroleum, mica, and copper. A considerable number of other minerals are produced in smaller quantities or still await exploitation. The average annual value of mineral production in India during recent years has been estimated at Rs.350,000,000.

FISHERIES

For all its many miles of coastline and inland waterways, India's fisheries resources and production are of much less national value than they might be. The sea fisheries are believed to be

capable of large expansion, but the necessary capital is not available, nor can the fishing communities in various coastal districts be persuaded to give up their antiquated methods in favour of more modern technique. The same situation applies in a lesser degree to the inland fishing industry.

The Central Government and the Provincial Governments of Madras and Bombay and of Travancore State particularly have taken numerous steps to encourage increased production throughout the fishing industry. These have included experiments with modern types of fishing vessels, the establishment of cold-storage facilities, the erection of plants for the production of fish oil and other by-products, and the provision of information and advice regarding equipment, curing and storage and the various problems of marketing.

It is impossible to give any accurate figures of the quantity or value of the output of India's fishing industry. These figures, if available, would probably indicate that the fisheries are of much less value than India's other principal natural resources.

FORESTS

The area of India's forests is estimated at 100,000 square miles. They comprise many different stands which vary from the tropical forests of various types of the southern and some central districts and the subtropical forests of Assam, the lower Himalayas, and the Northwest Frontier to the temperate and Alpine forests of the higher Himalayas and other northern ranges.

The more important varieties of Indian woods are deodar (a type of cedar), sal, teak, shisham, rosewood, eng, matti, padauk, pyinkado, and mahogany. Bamboo, of which many different types are found throughout the country, is also one of the most valuable commercial types of forest growth.

No data are available to indicate the value of India's annual forest produc-

tion, although the estimate of the volume of output of lumber, firewood, and minor produce of 400,000,000 cubic feet indicates that the figure must be a substantial one.

Forest conservation and research into methods of production and utilization have been practised for many years past by the Central Government and minor authorities. Conservation and afforestation have only been carried on in the face of many obstacles, but research work has achieved notable results in determining the properties and suitable uses of forest products and encouraging the development of industries based on the use of such material.

WATER POWER

India is less favoured than many other countries as far as water-power resources are concerned. A large proportion of the total area is flat land, very little above sea-level, while many of the rivers are seasonal.

Such reserves of water as are available are also, in various instances, far distant from the principal centres of population and industry. Numerous areas in the Himalayas and subsidiary systems are still admirably adapted for the storage of water for use in hydro-electric schemes, while many areas in Bombay, Madras, and Mysore are also suitable for this purpose.

No comprehensive survey of India's available water power has yet been completed, although a general review of the position was made some twenty years ago. It was estimated at that time that one and three-quarter million horse-power could be developed from various sites, exclusive of those on tributaries of the Indus. This figure should be regarded, in the light of subsequent investigations and technique in production, as a conservative estimate. Resources which have been surveyed, and several which have since been actually developed, indicate a considerably greater capacity.

Manufactures

Although essentially an agricultural country, India supports a number of large manufacturing industries. Most of these are based on the use of indigenous materials and on domestic demand. However, the Great War of 1914-18, a policy of tariff protection for industry, and the incentive to industrial production offered by present conditions have led to marked expansion in the range of Indian manufactures and the capabilities of the industrial community.

Outstanding among India's major industries are the cotton mills, some 400 in number, with approximately 200,000 looms, 10,000,000 spindles, and an average number of workers of 500,000. Records of annual production include 1,300,000,000 pounds of yarn, 3,000,000,000 yards of grey and bleached piece-goods, and 1,000,000,000 yards of coloured piece-goods.

Second in importance is the jute-mill industry, comprising some 100 mills with 70,000 looms, 1,500,000 spindles, and employing some 300,000 hands as a daily average. Recent annual output has amounted to 3,500,000,000 yards of canvas and cloth, 800,000,000 bags, and 60,000 tons of yarn and miscellaneous products.

The iron and steel industry may be ranked third among India's industrial enterprises. In two major plants and a number of smaller ones pre-war output included 1,800,000 tons of pig iron, 100,000 tons of castings, 1,000,000 tons of ingots, 800,000 tons of bars, blooms, and billets, and over 700,000 tons of finished steel. These figures have undoubtedly shown considerable increases during subsequent years.

Minor industries, most of which have been in existence for some considerable time and are almost all in course of expansion and consolidation, include paper manufacturing, woollen mills, cement, sugar, tobacco factories, oil refineries, match making, flour milling, distilleries, breweries, tea factories, rice

mills, paint manufacturing, leather tanneries, chemicals, and many government or government-controlled plants such as railway workshops and other engineering establishments, ordinance factories, printing-presses, dockyards, and clothing factories. The 1938 total of industrial establishments in British India alone was 9,743. A daily average of 1,737,755 workers was employed in these factories.

Transportation

Apart from its railway system, India's transportation facilities are primitive or undeveloped. In many of the eastern, central, and southern parts of the country no modern roads are available, although excellent highways link the principal centres of population in the northern and north-western districts.

Water transport is available on some of the navigable rivers, principally in Bengal, but in few other parts of the country. Coastwise shipping services between the eastern and western shores are in common use. The railway system, comprising over 20,000 miles of broad-gauge line and an equal mile-

age of metre and narrow-gauge, is the principal means of passenger and freight transport.

Air service development has been hindered by the war. In addition to the Karachi-Calcutta service, formerly controlled by several companies operating between Europe and Australia or the Far East, local firms run passenger services between Karachi, Delhi, Bombay, Madras, and Colombo, with occasional branch services touching at other points.

India's main ports are Calcutta, Bombay, Madras, and Karachi. The minor ports include Chittagong, Cocanada, Vizagapatam, Cochin, Marmagao and several smaller harbours on the Kathiawar coast. The vessels of most of the shipping companies operating from Europe to Australia and the Far East call at one port in India at least, while both freight and passenger services of various countries operating on round-the-world routes do likewise. In addition there are numerous steamer services from Indian ports to the Far East, the North American Pacific and Atlantic coasts, Australia, South Africa, South America, and the Near East.

POST-WAR AGRICULTURAL POLICY FOR SCOTLAND

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

The War Committee of the National Farmers' Union and the Chamber of Agriculture of Scotland have had under consideration for more than three years the question of future agricultural policy, and in January of last year issued a memorandum to area branches inviting opinions. On receipt of these opinions, the policy of these two bodies was shaped, approved, and finally published in a Memorandum. Brief extracts or summaries follow:—

"The Minister of Agriculture has stated the Government's decision to guarantee that the existing system of fixed prices and an assured market will be maintained for the duration of

hostilities and for at least one year thereafter and, further, that the Government, representative as it is of all major political parties, recognizes the importance of maintaining after the war a healthy, well-balanced agriculture as an essential and permanent feature of national policy. The guarantee now given is meant to secure that stability shall be maintained not only during hostilities but during a length of time thereafter sufficient to put into action a permanent post-war policy for home agriculture.

"It is with a view to moulding the interests of the agricultural industry into a stabilized national economic structure that the present policy (of

the N.F.U. and the Chamber) is designed and to plan that the repercussions of overseas trade, which in the past has been and in the future must be of paramount importance to British people, do not jeopardize the nation's greatest single industry. The experience now being gained from the organization and administration of the country at war can, it is felt, prove of great value in readjusting our life in peace, provided there is no slavish adherence to the past and the regimented machine of war administration is dispensed with. A national and international code based on the principles of the Atlantic Charter and on the recommendations of the United Nations' Conference on Food and Agriculture at Hot Springs should be the object of industrialists and agriculturists alike."

The Memorandum then goes on to emphasize the importance of a healthy, contented rural population, the contribution that reasonable security on the land could make towards solving the unemployment problem, and the market such conditions could create for British-made machinery, tools and equipment, resulting in still further employment in the factories.

Overseas Trade

The Memorandum then draws attention to the fact that in this country the maintenance of its vast population must necessitate a high volume of overseas trade. While there has as yet been no disclosure as to what extent international agreements made by the Government may affect the post-war position, industrial developments in foreign and Empire countries will raise fresh problems for British manufacturers in overseas markets, and failing a planned world economy, many years must pass before settled conditions again prevail.

It is, however, certain that the volume of exports will entail imports in payment thereof immediately nor-

mal trading relations are restored and, having in mind the chaotic results of the pre-war conditions, special emphasis is placed on the provision of an Import Board (see later reference) as well as the need for synchronizing imports and home production.

It is their purpose to outline a policy which will provide an equitable means of adjusting the import position, giving full consideration not only to home and overseas agricultural producers but to the needs of consumers in this country. The proposals now formulated, the authors believe, will offer a direct means of fostering primary production, with maximum consumption of secondary products, while preserving a definite link by which the Hot Springs world co-operative policy can be accomplished.

The immediate post-war needs of the invaded countries of Europe will present a problem in supply which necessitates control into peace. These needs should, however, provide a solution of the problem of surpluses accumulated during the war and will provide for the interim period during which a change from war to peace administration of controlled production and distribution can be achieved.

Objective

"The policy now advocated," the Memorandum continues, "is designed to develop home production in order that Great Britain may have a prosperous, efficient and well-balanced agricultural industry: to ensure for producers the first place in the home market with stable price levels for their products which will give a reasonable return after allowing for production costs: enable them to provide good working conditions and to pay adequate wages to their workers: to ensure fair conditions of tenure at reasonable rents and to provide that adequate supplies of food and clothing are available to consumers at reasonable prices.

"To attain this objective the Government must set up a system under which:—

(a) Home producers will receive guaranteed stabilized prices on an agreed economic level and an assured market for their produce, and

(b) The supplies of imported foods, animals, animal products (including wool), feeding stuffs, and other such imports are co-ordinated with home supplies, regulated and distributed in accordance with the nation's requirements."

Production

"The Union and Chamber visualize the setting up of a Food Import Board and a Home Food Production Board responsible only to the Government, but with a Co-ordinating Committee on which would be represented the Minister of Agriculture, the Secretary of State for Scotland and the President of the Board of Trade.

"The duty of the Import Board would be to regulate overseas food and feeding-stuffs supplies and to fix prices for imports in accordance with national needs as may be determined in consultation with the Home Food Production Board and, if necessary, to purchase such supplies as may be expedient in the world's markets as circumstances and international agreements may dictate.

"The Home Production Board would, through the Production Departments (Department of Agriculture for Scotland and Ministry of Agriculture), organize production as may be necessary in the national interest and maintain a balanced system of rotational farming on arable land and the increase of live-stock production as the basis of land fertility. The Board would operate under the direction of the Secretary of State and the Minister of Agriculture, and would be responsible for fixing pool prices to producers after consultation with the Marketing Boards. It should be so constituted as to provide for the effective representation of producers thereon.

"Stability of prices and an assured market would require a guarantee from the industry of efficiency, and to this end supervision of production by Agricultural Committees would be necessary to assist in regulating production and promoting efficiency in farm and estate management. These Committees would be charged with the duty of carrying out policy as determined from time to time by the Home Production Board...and would operate under the jurisdiction of the Secretary of State (for Scotland) and the Minister of Agriculture."

Marketing

The Memorandum then goes on to say that the marketing of all commodities should be undertaken by Producers' Marketing Boards constituted on the basis of existing Boards with government nominees. Existing Boards should be retained and others set up for the marketing of cereals, cattle and sheep, wool, sugar beet, eggs and poultry, tomatoes, raspberries and other products, but excluding store (feeder) live stock. A Co-ordinating Committee of the Boards should be provided to act in an advisory capacity to the Home Production Board.

The Marketing Boards would have the responsibility of handling and marketing by wholesale their respective products, including storage, processing, grading and advertising. Their duties would include the study and adaptation of developments in the technique of food handling, in which dehydration may prove highly important. All commission sales of food produce should be forbidden.

Distribution

The authors of the Memorandum are of the opinion that a Distributive Commission should be set up to organize food distribution, the composition of which should be a matter for the Government in consultation with the wholesale and retail trades and consuming interests. The consumers' interest would be safeguarded to the

distribution stage by direct government control of producers' pool prices. Direct retail sales by producers should be permitted but should be governed by the Commission, who would also be responsible for the distribution of imported foodstuffs for human consumption.

By such an organization as set forth above it is believed by the authors that every interest would be assured of a due measure of control of its own affairs. Producers' Marketing Boards are an essential part of the scheme and are definitely preferable to Marketing Commissions. On these the responsibility inevitably rests on the independent members who are called upon to decide major issues on the confused representations of various interests all anxious to make capital from their representative position. Under the plan proposed, on the other hand, every interest would be safeguarded, and the overriding responsibility held by the Government, who would hold the balance through the Import and Home Production Boards.

The practical control of production by the pool price system, applied through Producers' Marketing Boards and by the advice of the Home Production Board and Agricultural Committees, ensures regulation in relation to justified potential production and the maintenance of a balanced agriculture in the interests of land fertility, with adequate animal husbandry. The institution of a Distributive Commission which will receive the home and imported produce direct should lead to a reduction in the heavy distributive costs which have contributed so seriously to the ultimate cost of foodstuffs. The plan will provide a sharp dividing line between the costs of goods and services and will relieve producers of the odium of high retail prices.

In that the price paid by the consumer has a direct influence on the volume of consumption, the producer is materially concerned with distributive costs and, while the "service" demanded by the consumer in peace time

undoubtedly must add considerably to the charge, there would appear to be no justification for consumers having to pay 525 million pounds for goods for which home producers only received 225 million pounds, or for home and imported produce costing 650 million pounds to cost the consumer a further 850 millions, as it is estimated to have done in 1938-39.

Transition Period

The Memorandum then goes on to deal with recommendations for the co-operative buying of agricultural requisites such as manures, feeding-stuffs, seeds, implements, etc.; with the transition period from war to peace; with land tenure and ownership; labour, transport services; roads; housing; electricity and telephones; education; land utilization; credit facilities; science; research and nutrition; and with collaboration for the purpose of raising home agricultural policy above the level of party controversy.

With regard to the transition period from war to peace, the Memorandum says this period will present difficulties which will require full control for some time after hostilities cease. The duties of the Import Board will then include the distribution of the surpluses of war and the apportionment of those commodities in short supply. To this end the Ministry of Food, whose complex and difficult task has been accomplished in an admirable fashion, must continue to function pending the relegation of its powers, in so far as they require to be retained, to the Home Production and Import Boards.

NICKEL ORE FROM CUBA

A former jungle area near the town of Nicaro in Cuba is now producing 5,000 tons of nickel ore a day for the United Nations' war effort, reports *Foreign Commerce Weekly*. The ore lies on the surface for a depth of 12 to 50 feet and contains 45 per cent iron, some cobalt and chromium, and from 1 to 3 per cent nickel.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

3. CATTLE AND MEATS

By I. S. McARTHUR, *Acting Chief, Agricultural Statistics Branch,
Dominion Bureau of Statistics*

The Canadian live-stock industry had its beginning at a very early stage in the development of the country. The earliest settlers were dependent on cattle not only for their supplies of meat and milk but in many cases oxen were used in the clearing and breaking of land.

Jacques Cartier brought cattle with him in 1541 and more were brought in by Champlain. Additional stock came to Quebec from Brittany and Normandy during the seventeenth century. Cattle moved to the Prairie Provinces shortly after the first settlements were opened and in 1823 a herd of 300 cattle was driven to the head of the Great Lakes and disposed of to the colonists of the Red River Settlement.

During the early years of settlement farmers slaughtered their own live stock for household purposes. Later groups of farmers clubbed together to provide their meat requirements. Then came the local butchers who bought cattle directly from farmers to provide meat for the urban and rural communities. Still later commercial packing and slaughtering houses were established and the marketing of live stock was organized on a commercial basis, with stockyards and other handling facilities located in the larger centres.

Cattle

By 1871 the total cattle population of the country had risen to slightly over two million head. Since that time there has been a continuous upward trend in numbers of cattle on farms. The growth in cattle population has been relatively slow, however, and has been at approximately the same rate as the growth in human population. In 1943 total cattle population was estimated at 9,665,200 head, of which

slightly more than one-third were milk cows.

DAIRY AND BEEF BREEDS

Not until recent years has an attempt been made to distinguish between dairy cattle and beef cattle on farms. In 1943 there were 702,700 cows kept mainly for beef as compared with 3,794,700 milk cows. This would indicate that approximately 16 per cent of the cattle are of the beef breeds. The dairy breeds, of course, provide considerable quantities of beef and veal as well as providing the dairy products.

Transportation was one of the important problems of cattle marketing during the development stage and it was not until the completion of the first transcontinental railway that cattle could be brought to market in any volume over long distances.

PRODUCING AREAS

The major beef-cattle producing areas of Canada lie in the foothills region of southern Alberta, although the range area extends into southwestern Saskatchewan and also into the inter-mountain valleys of British Columbia. Beef cattle have always been raised to some extent in the Eastern provinces and are still of some importance, particularly in Ontario, but dairying is more important in this region and many of the beef cattle are brought in from the Western ranges for winter feeding.

EXPORTS

Surplus cattle have been available for marketing outside of Canada, either alive or as beef, for many years. In 1867, the year of Confederation, a total of 47,899 head of cattle and calves were exported, mainly to the United States. The general trend of

total exports of cattle and calves has been upward since that time, but there have been wide fluctuations as between individual years.

After declining to a low point of about 22,000 in 1876-77, exports rose to 213,000 in the year ending March 31, 1898. Then followed a gradual decline until a low point of 44,000 was reached in 1912-13. During the first World War exports rose sharply and reached an all-time high of 518,352 in 1919-20. Exports then levelled off at between 200 and 300 thousand until 1929-30.

TARIFF

During this period the tariff on Canadian cattle entering the United States was 2 cents per pound on cattle over 1,050 pounds and $1\frac{1}{2}$ cents per pound on cattle under 1,050 pounds. In June, 1930, the tariff was raised to 3 cents per pound on cattle over 700 pounds and $2\frac{1}{2}$ cents per pound on cattle under 700 pounds. Following this change, exports of cattle and calves to the United States dropped from 236,332 in 1929-30 to 39,393 in 1930-31 and total exports dipped to a low of 37,000 in 1932-33. The movement again became upward to a peak of 315,000 in 1936-37 and continued over 200,000 head until 1942-43, then dropped to 62,726 head in 1943-44 following the prohibition on exports to the United States of all cattle except those for dairy purposes.

PRINCIPAL EXPORT MARKETS

The United States was the principal outlet for Canadian cattle prior to 1872-73, when shipments started to the United Kingdom. In 1879 the entry of live cattle from the United States into the United Kingdom was prohibited entirely because of disease. Following this prohibition, the movement of Canadian cattle to the United Kingdom increased rapidly, rising from 7,433 head in 1878 to 69,446 in 1884-85. At the same time shipments to the United States declined, although they were relatively high until 1889.

In 1891 shipments to the United Kingdom reached 107,000 head, but in 1893, after disease was suspected in one shipment, an embargo was laid on all live stock from Canada. Only a few ports would receive stock and slaughter was compulsory within a few days. Previously many of the cattle shipped from Canada were put on feed in the United Kingdom for a few weeks prior to slaughter in order to improve the quality of the meat.

The new restriction sharply reduced the value of Canadian cattle. However, shipments remained until 1901 at from 85,000 to 120,000; in 1903 they reached a high figure of 161,000 and the movement remained relatively high until 1911.

There was some recovery in trade to the United States during this period, in spite of an increase in tariff in 1897. After 1902, however, the movement was largely to the United Kingdom and shipments to the United States remained relatively low until 1913-14.

During and shortly after the first World War Canadian cattle moved in heavy volume to the United States, reaching a figure in excess of 502,000 head in 1919-20. Practically no cattle moved to the United Kingdom market during the war period and up to 1922. Shipping arrangements were difficult and it was more practicable for Britain to import meats than live animals.

When shipping again became available, exports to the United States declined somewhat with a corresponding increase in the movement to the United Kingdom, which reached nearly 110,000 in 1925. Shipments to the United Kingdom then fell sharply and there was no movement to that market in 1929 as the United States market offered a more attractive outlet for all available Canadian cattle.

Exports of live cattle to both markets were low until 1935, when there was a substantial increase in the movement to the United States. This remained relatively high until exports were prohibited in 1943. No live cattle have moved to the United Kingdom

market since 1939, although a considerable quantity of beef is being shipped in 1944. Shipments over the entire period to countries other than the United States and the United Kingdom have been relatively low and exceeded 10,000 in only two years, 1915 and 1919.

There were a number of changes in the United States tariffs on Canadian cattle during the period under review, as shown in the following table:

UNITED STATES DUTIES ON CANADIAN
BEEF CATTLE

Oct. 1, 1890—\$10 per head, over 1 year.
Aug. 27, 1894—20% ad val.
July 24, 1897—27½% ad val., over \$14 per head.
Oct. 3, 1913—Free.
May 27, 1921—30% ad val.
Sept. 22, 1922—2c per lb., 1,050 lb. or more
1½c per lb. under 1,050 lb.
June 18, 1930—3c per lb., 700 lb. or more.

Under the Canada-United States Trade Agreement, effective January 1, 1936, the United States duty on cattle 700 pounds or more was reduced to 2 cents per pound on an annual quota of 155,799 head. The Canadian Trade Agreement of January 1, 1939, provided for a further reduction in duty on such cattle to 1½ cent per pound subject to a quota of 225,000 head.

Under an agreement with Mexico, effective January 30, 1943, the reduced rate of 1½ cent per pound on an annual quota of 225,000 head was continued, and the rate for this class of cattle in excess of the quota reduced from 3 cents to 2½ cents per pound. The Mexican agreement, however, suspended cattle quota limitations during the national emergency and until thirty days after the President proclaims termination of the abnormal meat situation.

UNITED KINGDOM VERSUS UNITED
STATES MARKETS

Because of its nearness to Canadian beef-cattle producing areas the United States market has several advantages over that of the United Kingdom. It is possible for Canadian cattlemen to

ship cattle direct to markets across the border in relatively small lots, while cattle going to the United Kingdom must be brought together in sufficiently large numbers to justify shipping arrangements.

The shipping question has on several occasions been under investigation. The main problem is that of being able to guarantee a continuous movement of sufficient proportions to justify the maintenance of facilities by shipping companies. For the most part, cattle going to the United Kingdom are of the stocker and feeder grades, which are bought by British farmers for further feeding. The competition in this market is from cattle shipped from Ireland. Shipments from that country have been on a very substantial scale as compared with those from Canada and the volume has been much more uniform from year to year.

While the United States market has, generally speaking, been more attractive this has not always been the case. Frequently the high point in the cattle population cycle in the United States coincides with a similar situation in Canada with the result that low prices prevail on both sides of the border. In addition, there have been periods when the United States tariff against Canadian cattle has been sufficiently high to force cattlemen to seek other markets.

From 1935 to 1942 shipments of cattle and calves to the United States were under a quota arrangement with a definite limitation on the numbers which could be shipped. In a general way it can be said that the movement of cattle from Canada has fluctuated between the two principal markets largely on the basis of the competitive price situation.

POST-WAR MOVEMENT

Looking to the future it is difficult to predict the course of Canadian cattle exports until more definite information is available in regard to tariffs, quota arrangements and other economic factors which will influence the

trade. Cattle numbers in Canada are at a high level and export markets will be needed to dispose of the available surplus. There may be some demand for Canadian cattle and beef in Continental Europe for a few years after the war, but these countries have never offered any substantial peacetime outlet for our meat products. It appears logical in the light of the historical record that the bulk of the future trade will be with either the United States or the United Kingdom.

Meats

Beef and pork products are the only meats which have been exported from Canada in any volume, and the volume of pork products in the form of bacon, hams and fresh pork has been much more extensive than that of beef. The United Kingdom has generally been the most important market for Canadian meats, although in certain periods shipments to the United States have been of significance.

BEEF EXPORTS

From Confederation to 1880 shipments of beef averaged from two to five million pounds and were mainly destined to the United Kingdom. For the next decade total exports were very low, being generally less than one million pounds. There was some increase in the last few years of the century and a peak of 9.7 million pounds was exported in 1901, the demand probably arising out of the South African War.

Then followed another period of low exports until the outbreak of the first World War. During that war there was a considerable increase in volume, first to the United States but in the later years largely to the United Kingdom. In the year ending March 31, 1919, 92 million pounds were shipped to the United Kingdom and 34 million pounds moved to the United States. In the next year the shipments to the United Kingdom declined to below 29 million pounds, while those to the

United States remained about the same.

During the ten years of the twenties shipments of beef to the United States remained fairly substantial at between 20 and 60 million pounds but declined sharply during the early years of the depression. There was a minor recovery, particularly in shipments to the United Kingdom, from 1933 to 1938; but exports to that market dropped to zero in 1940-41 and there was no movement until after the end of March, 1943. In the following twelve months exports recommenced to the United Kingdom and substantial shipments are going forward in the current fiscal year.

After the outbreak of the second World War the domestic demand for meat increased rapidly and with the substantial export demand for pork products there was a shortage of beef on the Canadian market. During that period beef cattle were being held back on farms for re-stocking. However, herds have now been built up to the point where marketings are increasing rapidly and a substantial volume of beef is available for shipment outside of Canada.

The historical record indicates that Canada during peace time was never a substantial exporter of beef. This product meets very keen competition from the Argentine and Australia in the United Kingdom market and the volume available for export has not been sufficiently large to justify the development of the shipping facilities necessary for moving the product in good condition. The export of live animals has, up to the present, offered a more satisfactory market for Canadian beef.

EXPORTS OF PORK PRODUCTS

Shipments of pork products, although higher than beef, exceeded 20 million pounds in only three years during the period from Confederation to 1892-93 and were generally below 10 million pounds. From that year there was a

gradual increase to a total exceeding 136 million pounds in the year ended March 31, 1900. The movement continued to be over 100 million pounds until 1907. Exports then ranged from 60 to 100 million pounds until 1912 but declined to 27.5 million pounds in 1913-14.

There was an immediate expansion in the export of pork products after the outbreak of World War I, shipments reaching a total of over 230 million pounds in 1919-20. During this period, however, there were very substantial imports of pork from the United States, which were re-exported or replaced the Canadian product on the domestic market.

CANADIAN BACON IN UNITED KINGDOM MARKET

Unfortunately the quality of the pork shipped to the United Kingdom during the war period was not up to standard and the Canadian product sold at a substantial discount in the United Kingdom market. After the war a concerted effort was made to retain Canada's position on the United Kingdom market and every effort was made to improve the quality of the product. Grading regulations were introduced and the quality was greatly improved. However, the competition from Denmark was particularly keen during this period.

Exports to the United Kingdom remained in the neighbourhood of 100 million pounds until 1925-26 when a gradual decline commenced, a low of 11 million pounds being reached in 1930-31. Total exports of pork products in that year were less than 17 million pounds.

At the Empire Economic Conference held in Ottawa in 1932 Canada was granted a quota of 280 million pounds of pork products. This quota was substantially above current shipments and encouraged greater production and exports. The British market then im-

proved rapidly and by 1937-38 a total of 190 million pounds was shipped.

WARTIME SHIPMENTS TO UNITED KINGDOM

There was a slight recession in the next year but shortly after the second World War broke out the United Kingdom asked Canada to increase her exports of pork products as quickly as possible. A Board was set up in Canada to handle these products and as the price improved the production of hogs increased rapidly. Exports increased similarly and during the year ending March 31, 1944, over 667 million pounds of pork products were exported to the United Kingdom. Exports are continuing on a very large scale and Canada is at present working on the fulfilment of a two-year contract covering the years 1944 and 1945.

Since the Germans overran Denmark, Canada has been the principal supplier of pork products to the United Kingdom market. During this war grading regulations have been strictly adhered to and the quality of the product shipped has been well maintained. It is hoped that the United Kingdom market will continue to be an outlet for a large volume of Canadian pork products but again the future movement will be influenced by many factors which have yet to be decided.

HYDRO POWER IN CROATIA

Water-power resources of Croatia have been estimated by experts at 1,200,000 to 1,500,000 horsepower, of which only 90,000 horsepower are now being utilized, according to the official bulletin of the British-Central European Chamber of Commerce. Development plans already drawn up, however, provide for the use of 700,000 horsepower, while the output of existing plants could be increased by 95,000 horsepower.

AN INTERNATIONAL ECONOMIC CHARTER

By L. H. AUSMAN, *Acting Trade Commissioner at New York*

The Committee on International Economic Policy, which was recently formed in the United States to engage in post-war studies, has issued, in co-operation with the Carnegie Endowment for International Peace, a report entitled "World Trade and Employment".

Pointing out that employment after the war is an international problem, the report states that world trade must be restored and expanded. An unprecedented opportunity is said to exist to organize a trading system which will give scope to enterprise on a basis of equal opportunity.

The plan outlined in the report is designed to create a world of expanding trade under conditions of peaceful security and co-operative consultation. It is hoped that traders may be free to compete in mobilizing the economic resources of the world for the betterment of the world's people rather than for their destruction and enslavement.

Multilateral Agreement

It is proposed that a multilateral agreement to establish the principles under which an expanding international trade can prosper be prepared for discussion under the provisions of Article VII of the Mutual Aid Agreements. The master agreement between the United States and the United Kingdom contains a provision for agreed action by these two countries that is open to all countries of like mind. Such action is to be directed "to the expansion . . . of production, employment and the exchange and consumption of goods which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers".

Established Treaties and Practices

In the period of aggressive economic nationalism which preceded the outbreak of war, the report states, many

long-standing treaties of commerce and navigation were replaced by short-term agreements giving certain governments discretionary powers, frequently detrimental to the status of alien traders.

What is now proposed by the Committee is a single international agreement which will incorporate the pertinent provisions of the bilateral treaties of commerce and navigation and such additional provisions as may be desirable in the light of more modern trends in commercial policy. Among other benefits this proposed agreement is intended to assert the validity of the following: rights of entry, of travel and residence, of commercial activity, of property ownership, freedom from military service and special levies, access to raw materials, mining rights, the rights to sue and be sued, to hire labour, to be taxed equitably, to incorporate business enterprises, to enjoy facilities for transit and communication, to have protection for plants, animals and goods, to receive consular assistance and to enjoy freedom of worship.

Economic Charter

The Committee expresses the view that, in providing for the organization of international trade after the war and for its continuing expansion, a proposed International Economic Charter should establish the following principles:—

1. *National Treatment*: The general principle that alien traders shall be entitled to receive the same treatment as is accorded to citizens by their own country should be affirmed.

2. *Most-favoured-nation Treatment*: The principle of unconditional most-favoured-nation treatment should be given effect by the terms of the proposed agreement.

3. *Simplification of Formalities*: Provision should be made in specific detail for the elimination of excessive, arbitrary or unjust customs formalities and procedures.

4. *Unfair Competition:* Unfair competition should be limited by provisions embodying the detailed proposals adopted by the Brussels Congress of the International Chamber of Commerce in 1925.

5. *Commercial Arbitration:* The principle that national courts shall recognize and enforce the validity of arbitration clauses in international commercial contracts should be embodied in the proposed agreement.

6. *Double Taxation:* The principles for the elimination of double taxation, as expressed in a number of bilateral international agreements, should form an integral part of the agreement.

7. *Import Prohibitions and Quotas:* The proposed agreement should prohibit the use of quantitative restrictions on imports. In the emergency of the immediate post-war period, however, there may be no escape from the resort to such controls—to enforce priorities for the use of available shipping space, or of foreign exchange, the rationing of scarce goods, or the allocation of the temporary surpluses of some commodity. Any agreement to abandon quantitative restrictions, therefore, should provide for such exceptions as may be necessary to meet this temporary emergency.

Special circumstances may also arise in which a country should be permitted to impose quantitative restrictions in order to safeguard its balance of payments. Such action will be exceptional and should be subject to review by the United Nations Economic Organization in respect of the period during which such restrictions would operate, as well as in other respects. In any event such quantitative restrictions should be non-discriminatory in their application.

In addition there will need to be exceptions for quantitative regulations imposed pursuant to recognized inter-governmental commodity agreements, and there should, of course, be the usual exceptions for sanitary restrictions, the procurement of military supplies and the like.

8. *Exchange Control:* The proposed agreement should provide for the ultimate elimination of exchange restrictions on commercial transactions and, pending such abandonment, for their administration in such a way as to lead toward, and not away from, free multilateral trade.

Exchange control should be a temporary defensive measure to be used pending the adoption of measures to correct the balance of payments. It should be used only to safeguard the national balance of payments, not to erect barriers in restraint of trade. It should neither be used as a device for driving trade or tariff bargains, nor to discriminate between countries, nor to encourage discrimination by second and third countries.

9. *Preferences and Discriminations:* The object of the International Economic Charter is to establish equality of treatment in respect of all forms of trade control, including tariffs, quantitative import restrictions, export taxes, state-trading, and foreign exchange control.

Two exceptions to the rule of equality of trading opportunity are generally recognized. The first is the granting of special advantages to facilitate frontier traffic. Such advantages are usually confined to a zone of approximately ten miles on either side of the frontier.

Customs unions constitute the second exception. Such unions usually lead to closer political union. Contrary to popular belief, they do not always lead to increased world trade. Since new customs unions are now being projected, it is desirable that they should be subject to review by the United Nations Economic Organization.

The application of the foregoing principles of equality of trade treatment would involve, among other things, the adjustment of imperial preferences, such as the preferential arrangements of the British Commonwealth of Nations and Empire, which will be as fair to their own nationals as to those of the other United Nations. Since these arrangements constitute well-established practices in the coun-

tries concerned, they will not be modified except at a price. The acceptance of these conditions will depend upon the effectiveness of parallel steps to reduce excessive tariffs.

10. *Export Prohibitions and Taxes:* Export restrictions might operate to prevent or limit access to raw materials, to provide indirect protection to domestic manufactures, and to give a bargaining advantage to countries which produce or control raw materials that are in demand. The Economic Charter should, therefore, provide for the abolition of quantitative restrictions and prohibitions on exports, and for the abolition of restrictive export taxes.

11. *Export and Domestic Subsidies:* Direct or indirect government subsidies or bounties, either for domestic production or for export, often operate in restraint of international trade, and provision should be made for their elimination.

12. *State-trading Monopolies:* The distribution of population, resources and potential markets in the modern world is such that world trade must be regarded as an integrated network. Consequently it is of the first importance that measures shall be devised to facilitate interchange between areas of private enterprise and state-trading areas in a single world market.

State-trading falls into three main categories:

- (a) Complete state monopoly of a country's foreign trade.
- (b) State or state-sponsored monopoly of the trade in particular products only.
- (c) State-trading which is not monopolistic in character.

The International Economic Charter should be so framed as to permit its full acceptance by countries whose foreign trade is either completely or partially conducted by state enterprise.

13. *Adjustment of Tariffs:* An effort should be made to secure a simultaneous and general adjustment of all trade and tariff barriers.

It is claimed for these proposals that they will constitute a framework within which international trade can expand on a basis of real competitive efficiency and equality of opportunity.

United Nations Economic Organization

The Committee on International Policy urges definite commitments on the part of all governments to the proposals set out above and the establishment of a consultative international economic organization empowered to implement them and to recommend measures for their effective application.

The primary concern of such an organization would be with commercial policy in a broad sense. It would possess consultative, research, advisory, standard-making and arbitral functions. It would register agreements, analyse and compare national economic developments, afford facilities for consultation, for the co-ordination of policies, and for the adjustment of differences arising among the governments directly interested.

The relationship between the proposed organization and international bodies existing or in process of creation, such as the exchange stabilization fund, the international bank for reconstruction and development, the United Nations Relief and Rehabilitation Administration, the Food and Agricultural Organization, etc., would be a subject for separate consideration. Given prior agreement to establish fair conditions of freer trade, however, the proposed United Nations Economic Organization would act as a clearing house for national policies, a forum for the interchange of information and for consultations looking toward the adjustment of differences and concerted action to promote mutual prosperity.

New York, August 14, 1944.

UNITED STATES CEILING PRICES FOR CURED FISH

By L. H. AUSMAN, *Acting Trade Commissioner at New York*

Effective August 21, specific price ceilings were applied by the Office of Price Administration to certain cured and smoked salt and fresh-water fish. This action, taken under Maximum Price Regulation No. 550, replaces the provisions of the General Maximum Price Regulation under which ceilings were set at the level of March, 1942.

Prices are established at the processors' level, and allowances are provided to cover transportation, containers and, where applicable, duty. The basing point selected for each species is the city where the bulk of the unprocessed fish is bought.

bill such cost separately on an invoice to the purchaser.

Regional Controls

The Regulation also contains provisions whereby regional O.P.A. administrators may fix transportation and container allowances in their areas where this may be necessary to reflect costs prevailing locally.

Base Prices

The base price per pound for each smoked-fish item and for mild-cured salmon, the basing point and the transportation factors are as follows:—

	Price	Transportation Factor
Mild-cured salmon in slabs, 6 pounds and over.....	\$0.31½ f.o.b. Seattle	....
Mild-cured salmon in slabs, under 6 pounds.....	0.26½ f.o.b. Seattle	....
Smoked mild-cured salmon	0.46 f.o.b. Seattle	\$1.10
Smoked sablefish	0.39 f.o.b. Seattle	1.80
Smoked whitefish	0.40 f.o.b. Winnipeg	1.50
Smoked kippered salmon	0.44 f.o.b. Seattle	1.60

Transportation Allowance

The processors determine their maximum price for each item by adding a fixed transportation allowance to the base price. This is computed by multiplying the cost per pound of moving the raw material from the basing point to the processors' plant or warehouse by a transportation factor. This is intended to compensate the processor for shrinkage of the fish in processing.

If the processor customarily buys direct from the basing-point city, he adds only the transportation cost from that city to his plant. Otherwise he adds the transportation cost from the basing point to his supplier's shipping point, plus the transportation cost from there to his own plant.

Container Allowance

In the case of shipment by contract or common carrier, the processor may add, as a container allowance on any class of sale, the actual cost of containers and special refrigerant in which the fish is packed. He must, however,

To these prices a processor may add a mark-up of 5 cents per pound when selling direct to a retailer or a purveyor of meals. When selling direct to a consumer he must use the appropriate mark-ups provided for in Maximum Price Regulation No. 422 (Sales at Retail).

Canadian Whitefish

It will be noted that the basing point for smoked whitefish is Winnipeg, Manitoba, the area from which the bulk of this type is obtained. On sales of this fish the United States duty may be included in the processors' price.

Canadian shippers will be interested in the methods used for calculating freight allowances and duty on Canadian whitefish sold for smoking. Following is an extract from the Regulation:—

Sec. 6.2. Explanation of "freight rate":

(a) If during the year prior to the effective date of this regulation a processor received at his processing plant the greater part of the whitefish he handled at that plant by direct shipment from

Winnipeg, Canada, he may add as the freight rate the sum of the following multiplied by 1.50:

- (1) The rail carload freight rate per pound for frozen whitefish from Winnipeg, Canada, to his processing plant, plus,
- (2) Duty.
- (b) If during the year prior to the effective date of this regulation a processor received at his processing plant the greater part of the whitefish he handled at that plant by shipment from a point or points other than Winnipeg, Canada, he may add as the freight rate the sum of the following multiplied by 1.50:
 - (1) The rail carload freight rate per pound for frozen whitefish from Winnipeg, Canada, to his supplier's shipping point, plus
 - (2) Duty, plus

- (3) The per pound common carrier rate for frozen whitefish from his supplier's shipping point to his processing plant for the type of shipment by which he received the greatest volume at his processing plant.

- (c) If no common carrier rate is available actual transportation costs, excluding local trucking, hauling and handling charges, may be used in determining the freight rate under paragraphs (a) and (b) above.

Effect of Ceiling Prices

The Office of Price Administration state in a press release that the new ceilings will result in prices to consumers averaging 10 cents per pound above the current level for most of the popular cured and smoked fish.

New York, August 30, 1944.

RETIREMENT OF WILLIAM GILCHRIST, CHIEF, FOREIGN TARIFFS DIVISION

William Gilchrist, Chief, Foreign Tariffs Division, Department of Trade and Commerce, has retired on superannuation after thirty-five years in the federal public service.

Mr. Gilchrist's first appointment in the public service was in the Department of Customs, which he entered in 1909 following some ten years' experience in the field of journalism as reporter, Press Gallery correspondent, and city editor of the *Ottawa Free Press*. He wrote also for various trade papers, and was a correspondent for the *Labour Gazette*. In 1917 he was transferred to the War Trade Board, with which he served until 1919, when he was assigned to the Department of Trade and Commerce to become head of the Foreign Tariffs Division, which was created early in 1920 as a branch of the Commercial Intelligence Service. For twenty-four years, during which it was expanded and set up as a separate Division, he has directed its work.

In his years as Chief of the Foreign Tariffs Division, Mr. Gilchrist has become widely known to Canadian manufacturers and exporters both through correspondence and through personal contacts, and established a reputation as an outstanding authority

on tariff matters. In addition to contributions to departmental publications, he has written many articles on external customs laws, trade agreements, and Empire tariff preferences for trade and other periodicals.

In 1928 Mr. Gilchrist visited the British West Indies for the purpose of establishing closer relationships with the customs officials of those colonies. In 1931 he accompanied Hon. H. H. Stevens, then Minister of Trade and Commerce, to Honolulu, where negotiations were conducted with New Zealand trade officials, culminating in the signing of a trade agreement by the two Dominions which still regulates their tariff relationships.

Mr. Gilchrist was also a member of the staff of technical advisers to the Canadian delegation at the Imperial Conference in London in 1930, and served in a similar capacity at the Empire Economic Conference held two years later in Ottawa.

At a function in his honour last week, his fellow workers presented Mr. Gilchrist with an armchair, and Hon. James A. MacKinnon, Minister of Trade and Commerce, and Oliver Master, Acting Deputy Minister, paid warm tribute to his qualities and years of able service.

TRADE REGULATIONS AND TARIFF CHANGES

United Kingdom

PURCHASE TAX ON GIFTS

Advice has been received from the Canadian Trade Commissioner in London that, resulting from an amendment to United Kingdom purchase tax legislation on July 13 last, gifts from abroad of chargeable goods, unless qualifying for concessions mentioned below, have now been ruled to be subject to this tax.

The tax, which applies to imported goods as well as to United Kingdom products, was previously chargeable when goods passed from wholesaler to retailer. Under the July amendment, it becomes, as regards imported goods, a charge on importation.

Under the ruling of H. M. Customs, concessions which permit duty-free admission of bona fide personal gifts sent from overseas addressed to individual members of the Canadian and certain other Forces stationed in the United Kingdom, or to Canadian or to certain other nationals serving in the United Kingdom Forces, have been extended so as to include exemption from purchase tax as well as exemption from customs duty. Similarly, the concession permitting members of H.M. Forces serving outside the United Kingdom to send home four duty-free gift parcels a year, subject to prescribed limitations, will include exemption from purchase tax.

Other gifts to individuals in the United Kingdom, however, e.g., gifts sent by Canadians to United Kingdom civilians, become subject to purchase tax. This applies whether or not the gifts qualify, as Canadian products, for exemption from customs duties. The tax is leviable at 100 per cent, 33 $\frac{1}{3}$ per cent, or 16 $\frac{2}{3}$ per cent on the wholesale value of chargeable goods. Among the articles liable to the 100 per cent rate are: clothing wholly or partly of fur or silk; fabrics wholly or partly of silk, pile fabrics, and woven-figured fabrics, and most articles for

domestic purposes made from these fabrics; leather bags, purses and suit-cases; cameras; films (other than cinematograph); clocks and watches wholly or partly of platinum, gold, silver or gold plate; jewellery and imitation jewellery and other goldsmiths' and silversmiths' wares; articles wholly or partly of ivory, amber, jet, coral, mother-of-pearl, and similar materials; fancy or ornamental articles for personal or domestic use; toilet requisites such as compacts, powder puffs, toilet sets, nail files, etc.; perfumery and toilet preparations except soap; pictures, figures, vases, etc.

Goods taxable at 33 $\frac{1}{3}$ per cent would include gloves, headgear, ties, scarves, and handkerchiefs, when made wholly of cotton, linen, wool, or artificial silk; plain cotton, linen, wool, or artificial silk piece-goods; cotton sheets and pillow cases; travelling rugs; electric toasters and irons; flashlights; silver-plated cutlery; toys and games; tobacco pipes; razors and blades; toilet brushes; toilet soap; pens and pencils; at 16 $\frac{2}{3}$ per cent, garments, including socks and stockings, wholly of cotton, linen, wool, or artificial silk; leather footwear; china and porcelain tableware; table glassware (other than cut).

Foodstuffs of all kinds, and young children's garments or footwear not containing silk or fur, and knitting wool, are among the goods exempt from purchase tax.

Exemption from import licensing continues to apply to bona fide unsolicited gifts sent by Canadians to individual United Kingdom citizens, provided they are clearly marked as gifts and are imported by parcel post in a single parcel weighing not more than five pounds gross, with not more than two pounds of any one foodstuff—not more than one such parcel to be sent in a calendar month. If the contents of the parcel are known to be Canadian products, a certificate to that effect should be written on the outside.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 11, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 11, 1944, and for the week ending Tuesday, September 5, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 5	Nominal Quotations in Montreal Week ending Sept. 11	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies . Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2758	.2773	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum).

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Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

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London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

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Los Angeles: T. J. MONRY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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ECONOMIC CONDITIONS IN BRAZIL IN 1943

By L. S. GLASS, *Canadian Commercial Attaché at Rio de Janeiro*

(The value of the cruzeiro in 1943 was 5.09 cents, United States currency, as against 5.10 cents in 1942)

Brazil's participation in the world war has been clearly marked by three definite periods, each of approximately one year: first, strict neutrality; secondly, benevolent neutrality with the severance of diplomatic relations with the Axis; and thirdly, co-belligerency with the United Nations.

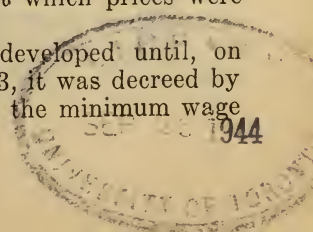
Brazil entered into the state of belligerency in 1942. The end of 1943 saw the conclusion of the first year of Brazil's participation in the war. During the year ever-greater efforts were expended in an endeavour to develop Brazil's fighting forces, to maintain coastwise protection, and to expand production of goods for wartime use.

The industrial development of Brazil at the beginning of the war received considerable impetus, which accelerated through the years previous to 1943, and in 1943 the acceleration was

continued at an even higher rate. This increased production meant increased profit to the producers, a greater amount of money to spend, and hence a rapidly increasing demand for consumer goods, with an attendant rise in prices. This situation has been the keynote of 1943.

At the beginning of the year it was recognized that rising prices were becoming a threat to the national economy, and President Vargas issued a decree freezing prices at the level of January, 1943. Unfortunately the cycle of inflation was already far advanced, and the measures adopted at that time were insufficient to even slow down the speed at which prices were soaring.

This situation developed until, on November 10, 1943, it was decreed by the President that the minimum wage



for all employed in Brazil should be increased and that, in addition payment of war bonuses to employees be made compulsory. Again prices were frozen, but increases continued. Earlier in the year the office of the Co-ordinator of Economic Mobilization was created and he was given extremely wide powers to regulate prices and to ensure equitable distribution of available goods. This government department has done everything possible to introduce effective controls, and in some instances success has rewarded its efforts.

External Trade

The total value of Brazil's external trade in 1943 increased to 14,801,897,000 cruzeiros as compared with the 1942 value of 12,143,904,000 cruzeiros. At present rates of exchange this would represent in United States dollars \$753,416,557 in 1943 as against \$619,089,000 in 1942. In 1934 the total trade was valued at 5,962,000,000 cruzeiros or, at the rate of exchange then prevailing, approximately \$423,302,000. In 1938 it had nearly doubled to 10,292,000,000 cruzeiros, or approximately \$586,664,000.

The increase is due more to growing export values than to increased imports. In 1943 imports were valued at 6,073,000,000 cruzeiros (\$309,132,395) as against 4,644,000,000 cruzeiros (\$236,844,000) in 1942. Exports, on

the other hand, increased from 7,499,000,000 cruzeiros (\$382,245,000) in 1942 to 8,728,000,000 cruzeiros (\$444,284,163) in 1943. For the five-year period ending 1938 the average value of imports was 4,227,000,000 cruzeiros (\$243,475,200), whereas that of exports was 3,929,000,000 cruzeiros (\$225,310,400).

While values of imports and exports have been increasing, physical volume has decreased during the war period, although, owing to an easing of the freight situation in 1943, a slight increase occurred: in imports from 3,003,000 tons in 1942 to 3,302,000 tons in 1943, and in exports from 2,661,000 tons to 2,696,000 tons. However, in the five-year period previous to the war the average volume of imports was 4,627,000 tons, and of exports 3,057,000 tons.

It would be natural to conclude that, with the drop in the physical volume, there would be an equivalent falling off in monetary value. However, the increase in value may be accounted for by increased values of the items which entered the export trade and also by greater diversity of exports and the export of small or lighter articles rather than heavy and bulky ones. These factors would account for the decrease in physical volume and the concurrent maintenance of values.

The accompanying table shows the physical volume and value of imports and exports since 1934.

Brazilian Imports and Exports

	Exports In 1,000 Tons	Imports	Exports In 1,000,000 Cruzeiros	Imports
1934	2,185	3,971	3,459	2,503
1935	2,762	4,338	4,104	3,856
1936	3,109	4,599	4,895	4,269
1937	3,296	5,218	5,092	5,314
1938	3,934	5,007	5,097	5,195
1939	4,183	4,874	5,616	4,984
1940	3,237	4,441	4,961	4,964
1941	3,536	4,049	6,725	5,514
1942	2,661	3,003	7,499	4,644
1943	2,696	3,302	8,728	6,073

Balance of Trade

For the fifth year in succession the result of Brazil's international trading has been a favourable balance of trade as shown by the following figures:—

Brazilian Trade Balances

	Pounds Sterling	U.S. Dollars
1939	11,297,000	44,382,318
1940	3,526,000	12,662,559
1941*	20,794,000	77,787,742
1942*	41,883,000	145,401,000
1943*	39,504,000	135,151,767

The slight decrease in 1943 as compared with 1942 is accounted for by a greater increase in the value of imports than in the value of exports.

Federal Finances

In the Federal budget for the financial year 1943 revenue was estimated at 4,777,673,000 cruzeiros and expenditure at 5,243,662,755 cruzeiros, leaving a deficit of 465,989,755 cruzeiros. In a recent speech the Minister of Finance stated that the accounts for 1943 have been finally completed and show actual revenues of 5,442,646,045 cruzeiros (664,973,045 cruzeiros more than estimated), while actual expenditure was 5,335,572,088 cruzeiros, or 360,239,110 cruzeiros less than that budgeted of 5,695,811,198 cruzeiros, including supplementary expenditures. This left a balance of 107,073,957 cruzeiros unexpended instead of the budgeted deficit of 918,138,198 cruzeiros, including supplementary estimates of 452,148,443 cruzeiros.

Extraordinary expenditure during the year, however, was 608,191,332 cruzeiros plus 245,659 cruzeiros as against 1942 obligations, bringing the total of extraordinary expenditures to 608,436,991 cruzeiros. Thus, the financial year actually closed with a deficit of 501,363,034 cruzeiros.

Besides the Federal budget, there is a special budget for public works known as "Special Plan for Public Works and National Defence Equip-

ment". The income from certain taxes and revenue from exchange operations has been earmarked for the service. During the year the amount of revenue received was 568,326,280 cruzeiros, all of which was spent.

According to a statement made by the Minister of Finance, 2,144,913,349 cruzeiros were spent by the Government on war services in 1943, which brings the total expenditure for this purpose to date to 3,186,357,132 cruzeiros. To meet this expenditure, at least in part, war bonds to the value of six billion cruzeiros have been issued. Purchase of these bonds is obligatory for all who pay income tax, on the basis of the amount of tax paid. Actually it is a type of enforced saving and, besides providing the Government with necessary funds for war expenditures, it was designed to curb inflation.

Currency Circulation

As of December 31, 1943, Brazil's note circulation was 10,980,762,000 cruzeiros, an increase of 2,742,939,617 cruzeiros as compared with the circulation on the same date in 1942, which amounted to 8,237,822,383 cruzeiros.

The Brazilian Minister of Finance pointed out in a public address that, although the amount of paper money in circulation had increased 65 per cent over the figure for 1941, this increase compares favourably with the expansion in the fiduciary issues of all countries. He added that "in accordance with decree-law No. 4792 of October 5, 1942, the currency in circulation must be backed by 25 per cent of foreign exchange. Brazil's resources in gold and foreign exchange constitute a reserve not only for maintaining the purchasing power of the cruzeiro, but also for the acquisition of capital and consumer goods which the country so badly needs. In 1937 imports of machinery and equipment amounted to 390,125 tons. Since 1937 there has been a great expansion in manufacturing industries and in rail, road and sea transport. At the same

*Approximate, as statistics of sterling and dollar values are no longer available.

time, the wastage has been very heavy". The Minister pointed out that "machinery and equipment necessary would represent 472,000 tons, which at prices in force in 1938 and 1939, and after deducting 10 per cent for supplies made by local industries, would be equivalent to 1,800,000,000 cruzeiros, or 90 million dollars.

"The Ministry of Finance has in mind to maintain the following reserves: 1,800 million cruzeiros for abnormal importation of machinery and equipment, 500 million cruzeiros for exceptional importation of durable consumer goods, 2,000 million cruzeiros to guarantee the balance of payments, and 500 million cruzeiros for the repatriation of refugee capital". This totals 4,800 million cruzeiros, or 240 million dollars, without taking into account the gold backing for the currency.

Brazil's stock of gold today amounts to \$255,512,192, which, plus foreign exchange balances, gives a grand total of \$454,000,000, or 9,086,955,000 cruzeiros, in reserves held abroad. The gold backing of the currency is, according to the Minister's statement, 46.5 per cent, while the legal minimum is 25 per cent.

Stock Exchange

A further increase was registered in stock exchange transactions. Total sales in 1943 were 1,748,928,000 cruzeiros as against 1,305,763,000 cruzeiros in 1942.

Sales of company stocks and bonds increased from 393,000,000 cruzeiros in 1942 to 660,000,000 cruzeiros, while government securities increased from 913,000,000 cruzeiros in 1942 to 1,089,000,000 cruzeiros.

Indices (base year, 1929) increased as regards total transactions from 350 in 1942 to 469 in 1943, for government bonds from 352 to 420, and for private securities from 344 to 579.

Banking Movement

Banking activities increased considerably in 1943. Deposits, which in-

creased during 1941 and 1942, continued the upward trend in 1943, rising from 21,541,000,000 cruzeiros in 1942 to 31,570,000,000. Loans, including those of the Bank of Brazil to other banks, increased from 18,206,000,000 cruzeiros to 28,756,000,000 cruzeiros. Of this, loans to the Government by the Bank of Brazil nearly doubled, increasing from 3,327,000,000 cruzeiros in 1942 to 6,243,000,000 cruzeiros, while loans for the development of commercial, agricultural and industrial activities also increased, from 14,879,000,000 cruzeiros to 22,513,000,000 cruzeiros.

Cash on hand at the end of 1943 for all banks was 4,936,000,000 cruzeiros as against the 1942 figure of 4,380,000,000 cruzeiros. This represents 21.3 per cent of cash to total deposits.

In 1943 bank clearing houses handled 3,349,000 cheques with a value of 87,673,000,000 cruzeiros as against 2,660,000 cheques valued at 57,392,000,000 cruzeiros in 1942. This is the largest movement for the last ten years.

Exchange

The improvement recorded in the Brazilian exchange situation in 1941 and 1942 was maintained in 1943. The year closed with a favourable balance of trade amounting to \$135,151,767, slightly less than the 1942 balance of \$145,401,000. In addition, however, it is estimated that the United States have spent from \$30,000,000 to \$35,000,000 during the year for the development of airports, army and navy installations, sanitary and other special projects such as the Rio Doce and Amazonas Valley schemes.

Exchange coverage for imports was supplied without delay during the year. Dividends and interest, estimated at \$47,000,000, have also been promptly remitted.

Gold Reserves

The purchase of gold for reserve purposes in 1943 amounted to 123,618 kilograms as against 39,942 kilograms

in 1942. From 1933, when the purchase of gold started, until December 31, 1942, a total of 11,820 kilograms was acquired. Thus the total purchased in 1943 exceeded the quantity acquired in the previous ten years.

Of the gold acquired in 1943, 118,667 kilograms were purchased abroad, 4,559 kilograms from local mines, and 352 kilograms from private individuals. The country's stock of gold at the end of the year was estimated to be worth \$255,512,192.

Bankruptcies

The record of business failures might well serve as a barometer of business conditions, and in this respect the record for 1943 is extremely interesting. The Bank of Brazil has published figures showing failures and creditors' arrangements for Sao Paulo and Rio de Janeiro, which represent the major part of Brazilian industrial activity. There were in these two cities in 1943 only 202 failures and 7 creditors' arrangements; in 1942 there were 405 failures and 31 creditors' arrangements. In 1934 the number of failures was 602 and arrangements totalled 43.

The index, on the basis 1929 equals 100, for total failures is only 20 and for creditors' arrangements 2. The indices for Rio de Janeiro are 19 and 2 and for Sao Paulo 20 and 6.

Transportation

General railway statistics are not available for 1943. However, despite present abnormal conditions, certain developments and improvements have been made. During the last three years, according to a statement by the Minister of Finance, the government-owned Central do Brasil, the main Brazilian railway company, has spent 532,668,682 cruzeiros for new development.

The National Department of Roads controlled only 659 kilometers of highway in 1937. Between 1938 and 1943 a further 1,009 kilometers were constructed, bringing the total to 1,688 kilometers.

Brazil's ocean transport suffered extensive loss from submarine attacks, more than 120,000 tons being lost. However, the receipt of certain vessels from the United States compensated for this loss to a great extent. Shortage of coastwise transport was serious and was a contributing factor of great importance in the scarcity of foodstuffs, such as rice, beans, jerked beef, potatoes, sugar, and wheat flour, which could not be transported regularly from producing centres to the consuming market.

Control measures over all national shipping and ports were adopted to meet the situation. Transport priorities were also established for coal, salt, foodstuffs and other essential products, and ships of foreign registry were permitted to engage in coastwise traffic.

Inland transport was also affected by the lack of coastwise services, and it was found necessary to establish priorities for rail, road and air transport. The manufacture of producer-gas engines and alcohol for fuel was stimulated. It is reported that there are now about 15,000 producer-gas cars and trucks in traffic in Brazil.

Coffee

Shipping facilities were at their worst during the first half of 1943, and the outlook for a profitable trading year in coffee was poor. However, the submarine menace became less serious towards the end of the year, and coffee exports improved greatly during the last quarter. In these circumstances results for the year may be considered satisfactory.

The physical volume of exports exceeded that for 1942, a total of 10,115,969 bags being exported as against 7,279,658 bags. The value of the exports in 1943 was 2,803,768,000 cruzeiros, a satisfactory increase as compared with 1942 when the value was 1,965,737,000 cruzeiros.

Prices in United States currency remained unchanged from 1942 at 13½ cents per pound for Type 4 Santos and

9½ cents for Type 7 Rio. In cruzeiros, however, there was a slight increase from 270.03 cruzeiros per bag in 1942 to 277.16 cruzeiros in 1943. This represents an increase of 7.13 cruzeiros over the 1942 quotation and 145.25 cruzeiros over that for 1940.

Following are the average f.o.b. prices in cruzeiros per bag for the last ten years: 1934, 149.47; 1935, 140.69; 1936, 157.31; 1937, 175.56; 1938, 133.52; 1939, 135.42; 1940, 131.91; 1941, 182.50; 1942, 270.03; 1943, 277.16.

The table shows the movement of Brazilian coffee exports and respective indices (basis 1933) for the last ten years. On the basis of the 1933 index year it will be noted that the tonnage of exports decreased to 65 in 1943 and that the value increased to 137.

Brazilian Coffee Exports

	Bags	Index No.	Cruzeiros	Index No.
1934	14,146,879	92	2,114,511,730	103
1935	15,328,791	99	2,156,599,349	105
1936	14,185,506	92	2,231,472,515	109
1937	12,113,088	78	2,128,615,804	104
1938	17,203,422	111	2,296,010,009	112
1939	16,645,093	108	2,254,115,311	110
1940	12,053,499	78	1,589,956,317	77
1941	11,054,566	72	2,017,544,618	98
1942	7,279,658	47	1,965,737,736	96
1943	10,115,969	65	2,803,768,085	137

The year 1931, when 17,850,872 bags were exported, was the peak year for coffee exports. These exports produced a value of 2,347,079,000 cruzeiros (\$166,000,000), while the 10,115,969 bags exported in 1943 produced 2,803,768,085.80 cruzeiros (\$140,188,000). That is to say, with 7,734,903 fewer bags exported, 456,689,085.80 cruzeiros more were obtained, which in dollars was only about \$26,000,000 less than for the peak year.

During 1943 only 1,274,318 bags were burnt as against 2,313,805 bags in 1941. The total of Brazilian coffee incinerated up to December 31, 1943, is 78,078,809 bags, or over five million tons.

Cotton

Brazilian cotton exports in 1943 amounted to only 77,962 tons valued at 413,777,000 cruzeiros, a sharp de-

crease when compared with 1942 exports amounting to 153,954,000 tons and a value of 644,382,000 cruzeiros. The average price per ton obtained in 1943 was 5,307 cruzeiros, which is much better than the 1942 average price of 3,584 cruzeiros per ton.

In 1942 the Brazilian Government gave official support to cotton in order to forestall the adverse effect on the trade which might have been occasioned by the excessive stocks which accumulated owing to the disappearance of European and Asiatic markets. The official basis of financing established in 1942 was increased 10 per cent in 1943, from 60 cruzeiros to 66 cruzeiros per 15 kilograms. A special tax quota of 30 centavos per kilo on sales of raw cotton was also estab-

lished to meet the expenses involved in financing the crop.

Data referring to the total volume of cotton used by all domestic mills in 1943 are not yet available, but it is reported that last year's consumption was larger than that of 1942, when 180,000 tons were consumed. Informed sources estimate consumption for 1943 at from 215,000 to 220,000 tons.

In accordance with official statements, 295,000,000 cruzieros have been expended in 1942 in financing the cotton crop and a further 233,000,000 cruzeiros up to November 30, 1943.

Industrial Production

Brazilian industries were very active in 1943 and continued to develop, taking advantage of the opportunities created by the war. Statistics of the total value of Brazilian industrial pro-

duction and its physical volume are not available, but the value has been estimated at about 25,000,000,000 cruzeiros as against an estimated production value for 1942 of 24,000,000,000 cruzeiros.

According to the Rio de Janeiro newspaper *Correio da Manhã*, the value of Brazilian production of manufactured goods in 1939 was not more than 47,554,000 cruzeiros, but for 1941, 1942 and 1943 the values were 369,-091,000 cruzeiros (\$19,400,000), 1,118,-614,000 cruzeiros (\$55,900,000) and 1,717,840,000 cruzeiros (\$85,800,000) respectively.

In accordance with latest available data, there are now in Sao Paulo 33,903 factories employing 450,000 workers. Annual production is estimated at 12,000,000,000 cruzeiros. In the whole of Brazil there are some 80,000 establishments employing more than 1,000,-000 workers.

Consumption of electric power is a good indication of industrial activity, and recent statistics show that in Rio de Janeiro and Sao Paulo, the two main industrial centres of Brazil, it has increased during the last five years, as follows: 1939, 563,363,000 kwh.; 1940, 596,340,000 kwh.; 1941, 671,783,000 kwh.; 1942, 732,383,000 kwh.; 1943, 780,210,000 kwh.

Comparing 1943 with 1939, there has been an increase of 38.5 per cent, while consumption in 1943 was 7 per cent higher than in 1942.

One of the most important Brazilian enterprises, construction of which was begun since the outbreak of war, is undoubtedly the new steel plant at Volta Redonda, which, it is expected, will be in production within twelve or eighteen months. The whole of Brazilian industry will benefit from the steel output of this plant as well as from a number of auxiliary industries which will probably be established.

The National Motor Factory is almost completed; in fact, it is already in operation. When complete, this plant will have a maximum yearly output of 500 Wright Whirlwind motors

of 450 h.p., and it is expected that eventually motors up to 1,200 h.p. will be produced. Provision has also been made for the production of tractors which in peace time can be used for agricultural purposes.

Textile manufacture is one of the most important and prosperous industries in Brazil, cotton goods being by far the most important item produced. Production of this item has expanded considerably during the last few years. Up to 1940 the export of Brazilian cotton piece-goods was negligible, at that time Brazil being still unable to supply the local demand. However, from 1940 on exports have been steadily increasing, and their export value is now only exceeded by that of coffee.

Rubber

In 1941 the Brazilian Government signed an agreement with the United States whereby the United States Rubber Reserve Company agreed to buy at a fixed price the excess of Brazilian rubber production over domestic trade requirements. This agreement also provided for increased rubber production by Brazil. In 1942 Brazil was to produce 20,000 tons, and by 1946 this production is supposed to reach 60,000 tons. Rubber exports from Brazil to the United States were also to increase during the same period.

Brazil's rubber production has indeed increased, amounting to 16,400 tons in 1938 and 22,000 tons in 1942, while the 1943 production is estimated to have reached 30,000 tons. These increases are in accordance with those provided for in the agreement. Exports have also been stimulated by the agreement, having increased from 4,400 tons in 1938 to 12,100 tons in 1942 and 14,575 tons in 1943. Values increased from 148,416,000 cruzeiros in 1942 to 189,057,000 cruzeiros in 1943.

Control of rubber production and the rubber market was introduced in 1943. The Rubber Credit Bank, the capital for which was increased from 50,000,-000 cruzeiros to 150,000,000 cruzeiros,

has a monopoly of rubber sales for export. Fixed quotas were granted to local exporters, based on previous shipments, to be handled for the account of the bank against payment of a fixed commission. The domestic trade is also under control and severe restrictions have been imposed.

Since the beginning of 1944, for an increase of 30 per cent in the contract price for rubber, the Brazilian Government has taken over the development scheme from the Rubber Development Corporation.

Cocoa

The satisfactory movement experienced by the Brazilian cocoa market in 1942 was repeated in 1943. The whole crop for the 1942-43 season, which ended on April 30, 1943, of

1,700,000 bags was sold. Exports increased considerably, both in volume and value, from 71,904 tons in 1942 to 115,120 tons in 1943 and from 216,629,000 cruzeiros to 342,368,000 cruzeiros, the United States purchasing 90 per cent of total shipments.

Measures were taken at the end of the last crop year to put the cocoa trade under the control of the Bahia Cocoa Institute. Planters are now obliged to deliver their entire production to the Institute against a cash advance of 12 cruzeiros per 15 kilos, the remainder being paid after the whole of the crop has been sold. The Institute is at present advancing 13 cruzeiros for cocoa at interior points and 16 cruzeiros for cocoa delivered at the capital. The 1943-44 crop is estimated at about 1,500,000 bags.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

4. FRESH APPLES AND OTHER FRUIT

By R. E. JOHNSON, *Agricultural Branch, Dominion Bureau of Statistics*

Mention of fruit growing in Canada is to be found among the earliest records of what was then known as New France. De Monts is reported to have sent the first trees to Quebec City in 1608-9, while at a somewhat later date—about 1632—d'Auenay de Charney brought either trees or seeds from Normandie to Acadia. The trees thrived in their new surroundings, for the census of Acadia in 1698 showed that at Port Royal alone 1,584 apple trees were growing in orchards ranging from 75 to 100 trees in size.

As settlement moved westward through the new country the trappers and farmers took their fruit trees with them. The French settlers along the Detroit River, in what is now known as Ontario, grew their own fruit as early as the 1790's and apples, cherries, peaches and grapes were among the kinds mentioned in the early records. It was not until the 1850's, however, that fruit growing had its beginning in British Columbia. The early pioneers

made the first plantings in the coastal area and some time in the 1860's orchards were planted in the southern interior of the province.

Growth of Apple Production

Repeal of the Reciprocity Treaty in 1854 gave a stimulus to the apple growing industry by directing the growers' attention to the British market. From very limited beginnings in 1845, when 379 barrels of apples were shipped from Quebec and 336 barrels from Montreal, exports increased at such a rate that by the year 1893 the quantity exported reached 1,187,665 barrels.

In the census of 1860 only Nova Scotia was reported to have produced apples. Why there was no record of the crops in the other sections of the country is not clear. That year the Nova Scotia crop amounted to 186,484 bushels. Ten years later, when the census included Nova Scotia, New Brunswick, Quebec and Ontario, the

crop amounted to 5,486,504 bushels. In the next thirty years there was a very rapid expansion and by 1900 the total apple crop in Canada, which now included Manitoba, the Northwest Territories and British Columbia as well as the five eastern provinces, amounted to 17,389,784 bushels. There was a corresponding increase in all other fruits such as peaches, pears, plums, cherries and grapes during this period.

Strawberries and Blueberries

Apples are the major export fruit crop and with strawberries and blueberries are the only fruits listed separately in the export trade statistics. In the case of strawberries, the great bulk of the exports are shipped as SO_2 berries and therefore will not be dealt with further. Blueberries, on the other hand, are shipped both fresh and in the frozen state. Unfortunately it is impossible to obtain any accurate statistics of production because they are a native fruit and grow wild over a very widespread area. While some attempt has been made to cultivate blueberries only limited success has been achieved. For the present the wild bushes provide abundant supplies of fruit for the home market and large quantities are shipped out every year, chiefly to the United States. It is not possible, however, to review the development of the blueberry industry because of the lack of adequate statistics. The remainder of these remarks will, therefore, be devoted to apples.

United Kingdom Chief Apple Market

From the beginning the British market has been the chief export outlet for Canadian apples. The general trend of shipments to the British Isles from 1885 to the outbreak of war in 1914 was upward, although there were wide fluctuations from year to year. During World War I, as has been the case during the present conflict, exports dropped sharply to reach a low point of 34,589 barrels in 1918. Fol-

lowing the Armistice the trend was again upward and an all-time high was reached in 1934, when 3,057,897 barrels moved to the United Kingdom. For the year ending March 31, 1943, total exports had dropped to 264 barrels and for the first time since 1885 no fresh apples were shipped to Great Britain.

In early years Nova Scotia and Ontario were the chief exporting provinces with Quebec and British Columbia making small contributions. With the steady increase in acreage in British Columbia, shipments from Ontario gradually declined and at present most of the fruit exported is from British Columbia and Nova Scotia. The bulk of the fruit shipped from eastern Canada is packed in barrels, while the British Columbia apples are put up entirely in boxes.

Competition in British Apple Market

Competition for the United Kingdom market, especially from the United States, has greatly influenced the volume of fruit being shipped from year to year. An additional factor contributing to the fluctuations in the annual Canadian exports, certainly in latter years, has been the British apple crop. Competition from English apples has been more seriously felt in the areas shipping culinary varieties, which make up the bulk of the United Kingdom crop. The Nova Scotia crop is largely made up of culinary varieties, while the British Columbia crop is chiefly of dessert varieties. In a year of heavy production in the United Kingdom, Nova Scotia shipments are seriously affected, particularly in the early part of the season when the bulk of the English crop moves to market.

The average exports from Canada to the United Kingdom for the years 1926-32 amounted to 32 per cent of the average crop during those years, while total exports for the same period were 37 per cent of the average production. The average total export from the United States for the same years, on the other hand, was only 9.6 per

cent of the total United States crop. Thus the Canadian industry was in a particularly vulnerable position.

Increased selling pressure brought about by large crops in both countries had a more widespread effect on the Canadian industry than on that of the United States. Exports from the United States were in the nature of a surplus over and above domestic requirements and fluctuations in the export market had little or no effect on the average return to the grower. In Canada, on the other hand, the rapid expansion in the industry during the latter part of the 19th century was brought about by the enterprise of growers who had the export market in view. Competition in the British market was, therefore, keenly felt by Canadian growers.

Tariff Preference for Empire Apples

Prior to 1932 apples entered the United Kingdom duty free regardless of whether they were Empire or non-Empire products. At the Empire Economic Conference held in Ottawa in that year, the Canadian delegates made great efforts to obtain tariff preferences for Canadian apples in the British markets. As an outcome of the Ottawa Trade Agreements a duty of 4s. 6d. per hundredweight of 112 pounds was applied in November, 1932, to all non-Empire apples marketed in the United Kingdom.* In addition, shipments from the United States below No. 1 and Fancy Grades were not permitted to enter the country prior to November 15.

* The preference of 4s. 6d. was retained in the Canada-United Kingdom trade agreement of 1937, which superseded that of 1932. To facilitate negotiation of the United Kingdom-United States agreement of 1938, however, Canada agreed to a reduction in preference from 4s. 6d. to 3s. per hundredweight on apples imported in the period August 16 to April 15 in any year during the life of the agreement. Apples consigned to a registered cider manufacturer for use in making cider were excluded from the trade agreement preferences, remaining subject, when non-Empire products, to the 10 per cent ad valorem rate of the Import Duties Act, 1932.

The effect of these restrictions was immediately shown in the export statistics of the following year. For the ten years prior to the Ottawa Agreements the United Kingdom's imports from the United States averaged 3,111,435 hundredweights (2,304,767 barrels) or 48 per cent of the total imports of apples. The average imports from Canada for the same period were 1,651,750 hundredweights (1,223,519 barrels) or 26 per cent of the total imports. Following the Ottawa Trade Agreements the positions of the two countries were practically reversed, as shown by the following table which gives the proportions of apple imports from Canada and the United States to total apple imports into the United Kingdom during the ten years 1922-31 and in each of the calendar years 1932 to 1939:

	Canada Per Cent of Total Imports	U.S.
Average 1922-31	26	48
1932	20	39
1933	45	18
1934	42	22
1935	38	32
1936	35	28
1937	39	24
1938	42	22
1939	34	29

Great Britain's average annual imports from Canada from 1933 to 1939 were 2,472,637 hundredweights (1,831,583 barrels), while those from the United States for the same period were 1,534,685 hundredweights (1,136,804 barrels).

Regulation of Empire Apple Shipments to British Market

As an outcome of the Imperial Economic Conference, the Empire Fruit Conference was held in London in 1934 to consider means of achieving marketing stability on the British market, particularly for pears and apples. During the meeting the Canadian delegates proposed the following points:

- (1) That exports from Canada of all apples of Domestic and "C" Grade which would arrive at the United Kingdom ports prior to October 15 be prohibited.

- (2) That only Domestic and "C" Grade of 2½ inches and size 200 and larger respectively (except Cox Orange and Jonathan) be shipped so as to arrive between October 12 and October 31.
- (3) That exports of all soft varieties such as Duchess, St. Lawrence, etc., be entirely prohibited.

The delegates from the other Empire countries shipping to the United Kingdom agreed, for the most part, to accept the restrictions proposed by Canada. In the years that followed, it was found impractical to carry out all the provisions of these agreements but it was clearly demonstrated that the prohibition of exports of low-grade apples had the effect of raising the general price level of the more desirable kinds.

Wartime Marketing of Canadian Apples

With the outbreak of war in 1939 the whole apple export picture changed completely. During the first year of the war exports to Great Britain were reduced to 50 per cent of the normal shipments. This brought drastic changes in the method of marketing the Canadian crop. Every effort was made to dispose of as much fruit as possible in Canada and large quantities were processed as dry apples, canned apples and apple juice.

In order to do this, however, the Dominion Government provided guarantees involving substantial expenditure to ensure reasonable returns to the growers. A large quantity of both canned and dehydrated apples was shipped to the United Kingdom but

much of these products and most of the juice had to be sold in the Canadian market. The table below, showing apple production and sales to processors for the five years prior to the war and for the individual years since, clearly indicate what has been done to absorb some of the surplus fruit during the war years.

For the five years prior to 1939 about 40 per cent of the crop was used in Canada as fresh apples. In 1940 the proportion remained the same; but for the succeeding years the percentage has ranged from 50 per cent to 61 per cent, with an average of 57 per cent. Considerable effort has been made to find export markets for fresh apples in the Western Hemisphere, but with the exception of some sizeable shipments of British Columbia apples to the United States, there has been little progress along these lines.

As the war progressed and tin-plate became more difficult to obtain, it became necessary to make drastic reductions in the quantities of canned apples and canned apple juice. As a consequence the greater proportion of the crop was dehydrated. During the 1943-44 season shipments of fresh fruit to Great Britain again became possible but the movement of fruit was limited. The British market was prepared to take much larger quantities of fruit but lack of funds and limited shipping space were the restricting factors.

Post-war Prospects

At present there appears to be a likelihood that, in addition to the United Kingdom, good markets will develop in some European countries for some

Apple Production and Sales to Processors

5-yr. Av.	Production Bushels	Nova Scotia Bushels	Sales to Processors			Proportion of Total Sales to Processors to Production Per Cent
			Ontario Bushels	British Columbia Bushels	Canada Bushels	
1934-38	14,093,400	1,283,745	335,194	346,706	1,965,645	13.9
1939-40	16,415,000	4,262,670	1,007,064	562,361	5,832,095	35.5
1940-41	12,865,000	2,613,105	781,281	515,213	3,909,599	30.4
1941-42	10,725,000	2,233,818	915,550	443,090	3,592,458	33.5
1942-43	12,982,000	3,124,206	697,152	471,317	4,292,675	33.1
1943-44	12,892,000	3,308,166	657,089	576,548	4,541,803	35.2

time after the war at least. Many of the orchards in Europe may have been destroyed during the fighting or have been so badly run-down because of lack of fertilizer and labour as to be unprofitable for some years. Many of the European countries were themselves large exporters of apples. For example, during the 1938-39 season the following shipments were made from the chief European exporting countries: Bulgaria, 381,000 bushels; France, 1,025,000 bushels; Italy, 2,064,000 bushels; Netherlands, 494,000 bushels; Rumania, 493,000 bushels; Yugoslavia, 1,833,000 bushels. It seems possible that Canadian fruit would find a ready market in the countries to which these nations shipped in the past and that these countries will themselves require considerable quantities to replace their own crops while their orchards are being rebuilt.

The effectiveness of demand from such markets, of course, will depend upon financial factors.

It should be emphasized that the domestic market has demonstrated its ability to absorb larger quantities of fruit than were heretofore thought possible. To illustrate the potentialities of the Canadian market, let us assume an average crop equal in size to the average of the past ten years, or 13,634,000 bushels. Provided the war-year levels can be maintained, the domestic market would absorb approximately 7,800,000 bushels. This is some 2,200,000 bushels more than was used as fresh fruit in the pre-war years. This quantity would go far toward solving the surplus problem should there be a return to a highly competitive condition in the United Kingdom market.

INCREASED WAGE EARNINGS IN THE UNITED KINGDOM

By FREDERIC HUDD, *Chief Canadian Trade Commissioner in the United Kingdom*

In January, 1944, the Ministry of Labour made an inquiry in order to obtain particulars of the average weekly earnings of wage-earners employed in manufacturing industries generally, and in a number of the principal non-manufacturing industries, in the United Kingdom.

The returns, which covered some six million workpeople, showed that the average earnings in the last pay-week of January, 1944, were as follows:

Men (21 years and over)	124s.	2d.
Youths and boys (under 21 years) ..	46s.	11d.
Women, 18 years and over—		
Excluding part-time workers	64s.	6d.
Part-time workers	29s.	8d.
Counting two part-time workers as representing one full-timer ..	64s.	2d.
Girls, under 18 years	34s.	3d.

Comparison with 1938

The accompanying table shows the average weekly earnings in the industries concerned in October, 1938, and at the various dates for which information is available between July, 1940, and January, 1944, computed on the basis of the total numbers of workpeople employed in the different industries at the dates specified.

It will be observed from this table that the percentage increase in average earnings since October, 1938, was no less than 79 per cent. The Ministry of Labour estimates that in the industries covered by these inquiries the average level of rates of wages for a full ordinary week's work, exclusive of overtime, was about 32 per cent higher in January, 1944, than in October, 1938. The difference between this figure and the average increase of 79 per cent shown by the returns of actual weekly earnings is represented by: (a) fuller employment, with longer working hours and more extended working of night-shifts; (b) extension of systems of payment by results and increased output by the workers affected; and (c) changes in the proportions of men, boys, women and girls employed in different industries and occupations.

The employment of large numbers of women on work formerly undertaken by men has contributed to the relatively high percentage increase in the average earnings of women.

London, September 6, 1944.

Average Weekly Earnings

Date	Men (21 yrs. and over)	Youths and Boys	Women (18 yrs. and over)	Girls	All Workers
October, 1938	69s. 0d.	26s. 1d.	32s. 6d.	18s. 6d.	53s. 3d.
July, 1940	89s. 0d.	35s. 1d.	38s. 11d.	22s. 4d.	69s. 2d.
July, 1941	99s. 5d.	41s. 11d.	43s. 11d.	25s. 0d.	75s. 10d.
January, 1942	102s. 0d.	42s. 6d.	47s. 6d.	26s. 10d.	77s. 9d.
July, 1942	111s. 5d.	46s. 2d.	54s. 2d.	30s. 3d.	85s. 2d.
January, 1943	113s. 9d.	45s. 1d.	58s. 6d.	32s. 1d.	87s. 11d.
July, 1943	121s. 3d.	47s. 2d.	62s. 2d.	33s. 10d.	93s. 7d.
January, 1944	123s. 8d.	46s. 10d.	63s. 9d.	34s. 3d.	95s. 7d.

Percentage Increase since October, 1938

Date	Men (21 yrs. and over)	Youths and Boys	Women (18 yrs. and over)	Girls	All Workers
July, 1940	29	35	20	21	30
July, 1941	44	61	35	35	42
January, 1942	48	63	46	45	46
July, 1942	61	77	67	64	60
January, 1943	65	73	80	73	65
July, 1943	76	81	91	83	76
January, 1944	79	80	96	85	79

INDIAN MARKET SURVEYBy PAUL SYKES, *Canadian Trade Commissioner at Bombay***II. India's Foreign Trade**

As mentioned in the opening paragraph of this report, India is one of the leading trading nations of the world. Her vast population and the extensive requirements of rapidly growing industries for equipment and materials provide the main basis for imports. This may be conceivably expanded in future by a general increase in the national wealth and the standard of living. Exports are supported by extensive demand throughout the world for a variety of India's domestic products.

For several years prior to the present war the total annual value of India's overseas trade in merchandise amounted to Rs.3,500,000,000. Exports made up over 50 per cent of such figures, and in most years there was a substantial favourable trade balance.

Import and export trade has been based to a large extent on the purchase of a wide range of manufactures and industrial equipment from the United Kingdom and on the keen demand for

Indian goods in the British market. The values of such business have been approximately one-third of the totals for all countries. Secondary sources of imports have been Burma, Japan, Germany, and the United States, while the same countries are next in importance to the United Kingdom as outlets for Indian exports.

The trade by commodities has been concerned, on the import side, with such articles as mineral oils, machinery, raw cotton and cotton piece-goods, rice, motor vehicles, non-ferrous metals, iron and steel, woollen goods, dyeing and tanning materials; paper, electrical equipment, chemicals, lumber, and hardware. Exports are of considerably less variety but much higher individual values. The list comprises jute and jute manufactures, raw cotton, tea, seeds, cotton manufactures, raw and tanned hides and skins, wheat, metals, raw wool, rice, pig iron, and various ores.

Trade Statistics

Table 1 shows the values of imports, exports, and total trade of India from 1937-38 to 1942-43.

The increase in trade values up to 1941-42, indicated in Table 1, has been

accompanied by a drastic readjustment in sources of supply and export markets. This feature of India's foreign trade is indicated in Tables 2 and 3 showing the value of imports and exports by principal countries for the years 1938-39 and 1942-43.

TABLE 1

*Foreign Trade of India**

	Imports	Exports	Total Trade
	Figures in Thousands of Rupees		
1937-38	1,737,857	1,809,242	3,547,099
1938-39	1,523,258	1,627,916	3,151,174
1939-40	1,652,720	2,039,899	3,692,619
1940-41	1,569,721	1,868,994	3,438,715
1941-42	1,732,701	2,375,764	4,107,465
1942-43	1,104,483	1,876,011	2,980,494

* Merchandise trade, excluding re-exports.

TABLE 2

Imports into India by Principal Countries

	1938-39		1942-43
	1,000 Rupees		1,000 Rupees
United Kingdom	464,891	United Kingdom	295,347
Burma	243,491	United States	190,068
Japan	154,134	Iran	178,087
Germany	129,273	Egypt	81,179
United States	97,783	Canada	55,354
Kenya	48,917	Ceylon	43,763
Straits Settlements	41,306	Bahrain	40,198
Iraq	34,884	Kenya	38,735
Belgium	29,190	Australia	33,425
Italy	26,851	Anglo-Egyptian Sudan	30,955
Australia	24,128	South Africa	22,498
Egypt	21,889	Burma	14,594
China	17,346	Tanganyika	14,251
Switzerland	16,013	Portuguese East Africa	10,687
Netherlands	14,285	Switzerland	10,516
Other	158,877	Other	44,830
Total	1,523,258	Total	1,104,483

TABLE 3

*Exports from India by Principal Countries**

	1938-39		1942-43
	1,000 Rupees		1,000 Rupees
United Kingdom	555,113	United Kingdom	573,426
Japan	145,902	United States	277,934
United States	138,791	Australia	141,270
Burma	100,337	Ceylon	144,548
Germany	85,549	South Africa	104,938
France	61,918	Iraq	79,345
Ceylon	50,911	Iran	42,570
Belgium	44,462	Arabia	42,165
Netherlands	44,117	Aden	41,247
Australia	29,730	Canada	37,800
Italy	26,200	Egypt	36,724
China	24,700	Kenya	35,155
Canada	21,386	Nigeria	24,132
Straits Settlements	20,397	Syria	21,965
South Africa	14,922	Tanganyika	21,244
Other	263,281	Other	231,548
Total	1,627,916	Total	1,876,011

* Merchandise trade, excluding re-exports.

From the viewpoint of composition India's foreign trade has undergone less drastic changes than with respect to sources and destinations but has still shown numerous variations of interest. Details of imports and exports by principal commodities in 1938-39 and 1942-43 are given in Tables 4 and 5.

Any forecast of future trends in India's foreign trade must naturally be offered in very general terms, but there are several indications of some factors which are likely to characterize it during the early post-war years. For one thing it is likely to show a maintenance of recent tendencies towards concentration on adjacent markets in the Near and Middle East, Africa, and Australia. The high degree of association with the United Kingdom is also likely to result from

the accumulation of large credits in that country.

In so far as their composition is concerned, exports must of necessity retain their present character to a large extent, but imports are certain to comprise much larger quantities of consumer goods than for many years past—foodstuffs, wearing apparel, toilet goods, medicines, etc.—in order to make good the present depleted stocks of all such supplies. Machinery and many articles for use in existing and projected industries will certainly be required in large quantities. Substantial quantities of electrical apparatus, road-building equipment, fertilizers, and agricultural supplies may also figure prominently in the trade if current proposals for post-war reconstruction materialize.

TABLE 4

Imports into India by Principal Commodities

	1938-39 1,000 Rupees		1942-43 1,000 Rupees
Machinery	197,248	Oils	277,812
Oils	156,241	Raw cotton	154,248
Cotton manufactures	141,527	Machinery	105,260
Rice and other grains	137,646	Chemicals and medicines	63,909
Raw cotton	85,092	Motor vehicles	57,183
Motor vehicles	66,820	Dyes	54,245
Iron and steel manufactures	66,562	Non-ferrous metals	32,915
Hardware	58,131	Hardware	32,532
Chemicals and medicines	56,205	Raw wool	29,550
Non-ferrous metals	41,572	Iron and steel manufactures.....	29,550
Dyes	40,296	Seeds	22,707
Paper	38,997	Paper	21,567
Miscellaneous textiles	35,075	Non-metallic minerals	18,935
Electric apparatus	33,129	Electric apparatus	16,320
Spices	26,343	Spices	15,139
Other	342,374	Other	174,246
Total	1,523,258	Total	1,104,483

TABLE 5

Exports from India by Principal Commodities

	1938-39 1,000 Rupees		1942-43 1,000 Rupees
Jute manufactures	262,611	Cotton manufactures	461,016
Raw cotton	246,665	Jute manufactures	363,807
Tea	232,905	Tea	316,064
Seeds	150,922	Seeds	105,649
Raw jute	133,967	Raw jute	90,133
Rice and other grains	77,412	Rice and other grains	69,549
Cotton manufactures	71,179	Raw cotton	52,999
Hides and skins, dressed	52,758	Hides and skins, dressed	48,153
Hides and skins, raw	38,467	Hides and skins, raw	33,212
Iron and steel manufactures	30,207	Gums and resins	32,351
Oilcakes	30,120	Non-metallic minerals	28,032
Raw wool	29,868	Ores	23,250
Fruits and vegetables	32,686	Fruits and vegetables	19,704
Ores	16,723	Spices	19,385
Gums and resins	15,010	Tobacco	14,910
Other	216,416	Other	197,797
Total	1,627,916	Total	1,876,011

ECONOMIC CONDITIONS IN BARBADOS

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

Barbados is dependent largely on the production of sugar and its allied products molasses and rum for the maintenance of its 203,000 inhabitants, concentrated in the Colony's total area of 166 square miles.

Despite the difficulties attendant on the export of these products under war-time restrictions, and the equally difficult problem of maintaining supplies, Barbados is moving into the post-war period in a surprisingly sound financial condition.

In keeping with the general policy in the British West Indies of encouraging the domestic production of food-stuffs, the Colony, by setting aside a definite percentage of arable land for the purpose, was able to produce sufficient quantities of sweet potatoes, yams, and cassava to reduce its dependence on imported rice to negligible proportions.

Sugar Production

This resulted in a decrease in the production of sugar cane but, on the whole, sugar production, despite the added difficulty of inadequate supplies of fertilizer, was well maintained by the use of improved types of sugar-cane seedlings. In 1944 sugar production from an area of 36,796 acres (4,875 acres less than in 1943) amounted to 105,400 tons, 27,600 tons less than in 1943.

The current crop is showing excellent growth under the influence of well-distributed rains and a full supply of fertilizer, which the British Government made available in an effort to increase production as far as possible on the limited acreage under crop.

Sugar planters have been further encouraged by prices assured by the Brit-

ish Government for sugar up to 1946, while the guaranteed prices of past war years have permitted satisfactory operation of the estates.

Money has been plentiful in the Colony. Merchants admit quick turn-overs of the limited stocks available, while the banks report that credits are good, and funds are tending to accumulate.

National Income

In a memorandum on the National Income of Barbados, 1942, Dr. Fredric Benham, Ph.D., B.Sc. (Econ.), economic adviser to the Comptroller of Development and Welfare for the British West Indies, estimates that the Colony's national income for that year amounted to £5,600,000, equal to some £27 per head of population. This total was from goods and services produced to the value of £5,211,000 and £374,000 net income from abroad.

As conditions since 1942 have shown considerable improvement, it may be reasonably assumed that there has been at least no reduction in the national income in the past two years, and a further examination of some of its features is warranted.

Dr. Benham estimates that out of the total income of £5,600,000 some £4,500,000 was spent on consumption by individuals, approximately £220,000 is accounted for by taxes of various forms, and the balance, £880,000, went into savings and investments.

The distribution by commodities of the sum spent on consumption by individuals is of considerable interest to Canadian shippers as indicating the relative importance of the markets for various items in Barbados, and is therefore shown in detail in the following table:

Barbados Consumption of Various Items

Foodstuffs—	£1,000
Bread, biscuits, flour, etc.	350
Corn and cornmeal	80
Rice	100
Vegetables, etc.	400
Meat	300
Fish	130
Milk	150
Edible oil	80
Butter, etc.	80
Sugar	140
Tea, coffee, cocoa	30
All others	60
Total	1,900
Drink, Tobacco, etc.—	
Rum	150
Other alcoholic drinks	30
Aerated waters	40
Cigarettes, etc.	150
Entertainment	30
Total	400
Clothing—	
Boots, shoes, etc.	60
Shoe repairs	25
Imported cloth and apparel	400
Dressmaking, etc.	100
All others	15
Total	600
Household—	
Rents	540
Domestic service	300
Furniture, crockery, etc.	60
Laundry soap	70
Water, gas, electricity	60
Kerosene, charcoal, etc.	50
Newspapers, ice, and all others	70
Total	1,150
Other—	
Doctors, dentists, nurses, medicines, drugs, undertakers	120
Passenger transport	110
Petrol, motorcars, bicycles, etc.	20
Postal and telephone service	30
Hairdressing, cosmetics, etc.	40
Services and imports—not elsewhere included	130
included	130
Total	450
Grand total	4,500

Restricted travel regulations and fair air services to Barbados have kept the Colony's beach hotels reasonably active under wartime conditions. Careful consideration is now being given, however, to plans for improvement in anticipation of a large post-war tourist trade, which it is hoped will materialize with an increase in air traffic between the West Indies and North and South Americas.

Employment and Earnings

A population density of 1,223 inhabitants to the square mile, with comparatively few outlets of employment,

has resulted in a continuous unemployment problem in Barbados in recent years. With it there has persisted its concomitant, extremely low wages and a reduced standard of living.

In his report Dr. Benham sets out the accompanying table of the estimated numbers and total earnings in 1942 of the working population (other than income-tax payers) by groups.

The most striking feature of this report is the extremely low wages paid the two largest groups, agricultural workers and domestic servants, which, for an average of six working-days per week, earn, according to these figures,

Barbados Earnings in 1942

	Number	Total Earnings £1,000
Agricultural labourers (nearly all sugar-workers) . . .	21,000	450
Fishermen	1,500	50
Sugar factories (3 months)	5,000	65
Other factories and public utilities	2,000	100
Dock-workers and porters	2,000	75
Transport (including taxis)	2,000	100
Artisans (carpenters, masons, coopers, etc.)	5,000	200
Shop assistants	5,000	200
Government and other clerks	5,000	400
Dressmakers, etc.	4,000	100
Police	600	65
Assistant teachers	700	40
Road-workers, etc.	600	50
Government and parochial employees not elsewhere included	1,000	50
Domestic servants	20,000	300
Hucksters, etc.	6,000	250
All others	1,500	95
Total	82,900	2,590

only 32 cents (B.W.I.) and 22 cents per day respectively.

It should be understood, however, that this deduction does not represent the actual wages paid, for example, to agricultural workers, who may work only two or three days per week, and whose total earnings therefore show a corresponding reduction in the above total, but it does serve to emphasize the generally low wage scale in Barbados, and the reason why living for the bulk of the population is at subsistence level.

Recently the Governor of Barbados has been successful in completing arrangements whereby some 3,600 workers are being given employment in the United States under the War Food Administration and the War Manpower Commission. The relief is

welcome but it can be considered merely as a temporary measure that is not likely to influence the main problem, which can only be solved by means of wholesale emigration.

At present there is considerable agitation among the working-classes, and it is probable that moderate adjustments upward are being made.

From a Canadian export point of view these facts and figures serve to emphasize that in the post-war period Barbados offers a volume market for low-priced domestic goods, such as foodstuffs and wearing apparel, that funds are available for building and improvements which it has not been possible to undertake under wartime conditions, and that a post-war demand may therefore be expected for certain building materials such as cement, lumber and small hardware.

CANADA'S DOMESTIC EXPORTS IN AUGUST

Canada's exports of domestic merchandise during the month of August were valued at \$257,021,000 as compared with \$278,713,000 in the preceding month and \$292,861,000 in the corresponding month of 1943. During the first eight months of the current year the aggregate was \$2,282,000,000 as against \$1,874,000,000 in the similar period of 1943, an increase of 22 per cent.

Exports of domestic merchandise to the United Kingdom were valued at \$90,202,000 as compared with \$111,829,000 in August of last year, while the total for the eight months of this year was \$847,869,000 as against \$686,163,000 in the corresponding period of 1943. August exports to the United States amounted to \$85,945,000 as compared with \$91,208,000, the eight-month total standing at \$822,498,000 as against \$703,873,000.

Commodity exports to British India rose to \$16,813,000 from \$7,280,000 in August of 1943, advancing the total for the first eight months of this year to \$106,810,000 from \$85,749,000 in the comparable period of last year. Shipments to Italy advanced to \$20,841,000 from nil, and in the eight months to \$113,500,000 from nil.

Merchandise exports to Russia were valued at \$6,961,000 as compared with \$4,540,000 in August of last year, while the total for the eight months of this year was \$64,794,000 as against \$31,638,000 in the like period of 1943. Exports to Egypt were valued at \$9,928,000 as compared with \$28,785,000 in August, 1943, the total for the eight months of this year having been \$90,218,000 as against \$120,811,000.

Domestic merchandise exports to other leading countries in August were as follows, totals for August, 1943, being shown within parentheses: British South Africa, \$1,281,000 (\$2,450,000); Jamaica, \$1,456,000 (\$383,000); Trinidad and Tobago, \$1,682,000 (\$568,000); Newfoundland, \$4,361,000

(\$4,520,000); Australia, \$1,500,000 (\$4,982,000); New Zealand, \$1,274,000 (\$5,729,000); Switzerland, \$2,324,000 (\$1,078,000).

The following were among the principal commodities exported in August, totals for August of last year being shown within parentheses: wheat, \$21,243,000 (\$19,025,000); wheat flour, \$4,961,000 (\$5,901,000); fishery products, \$5,515,000 (\$5,691,000); cheese, \$5,949,000 (\$4,275,000); eggs, \$2,123,000 (\$1,564,000); meats, \$13,284,000 (\$10,602,000); wool, \$1,835,000 (\$768,000); planks and boards, \$8,382,000 (\$7,379,000); pulpwood, \$2,247,000 (\$2,025,000); wood pulp, \$9,812,000 (\$8,795,000); newsprint paper, \$13,429,000 (\$13,334,000); motor vehicles and parts, \$27,881,000 (\$52,132,000); chemicals, \$7,318,000 (\$7,256,000).

The following tables compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of August and the eight months ending August, 1944 and 1943:

Exports by Principal Countries

	Month of August		Eight Months ended August	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	257,021	292,861	2,282,002	1,874,269
Empire countries	123,876	141,195	1,098,063	924,834
British East Africa	358	1,146	3,673	12,919
British South Africa	1,281	2,450	15,424	22,894
Southern Rhodesia	50	91	732	652
British West Africa	188	280	2,013	5,954
Bermuda	143	86	1,824	1,086
British India	16,813	7,280	106,810	85,749
Ceylon	555	93	3,414	4,073
British Guiana	153	32	3,834	3,859
Barbados	507	356	2,669	2,212
Jamaica	1,456	383	10,332	5,576
Trinidad and Tobago	1,682	568	11,602	8,157
British West Indies, other	592	311	4,030	2,691
Newfoundland	4,361	4,520	28,546	25,155
Australia	1,500	4,982	33,443	29,540
Fiji .....	....	132	305	280
New Zealand	1,274	5,729	9,220	24,202
Palestine	393	213	1,051	556
Eire	1,697	651	8,461	2,659
United Kingdom	90,202	111,829	847,869	686,163
Foreign countries	133,145	151,666	1,183,939	949,435
United States	85,945	91,208	822,498	703,873
Argentina	227	230	2,578	2,523
Bolivia	24	28	134	116
Brazil	807	272	4,142	3,494
Chile	72	57	950	798
China	21	....	14,875	....
Colombia	221	207	1,326	889

Exports by Principal Countries—Con.

	Month of August		Eight Months ended August	
	1944	1943	1944	1943
	Thousands of Dollars			
Foreign countries— <i>Con.</i>				
Costa Rica	25	17	255	123
Cuba	237	89	2,115	1,465
Ecuador	8	17	174	117
Egypt	9,928	28,785	90,218	120,811
French Possessions	770	19,066	20,303	31,458
Guatemala	26	13	243	157
Haiti	20	43	320	156
Honduras .....	....	....	61	85
Iceland	307	185	2,071	1,485
Iraq	404	2,608	5,231	16,486
Italy	20,841	....	113,500	....
Mexico	419	333	3,802	3,845
Netherlands West Indies	62	30	243	294
Nicaragua	21	10	164	180
Panama	35	164	410	580
Paraguay	15	5	28	15
Persia	180	2	619	52
Peru	107	64	877	510
Portugal	66	160	533	662
Portuguese Africa	2	17	281	40
Russia	6,961	4,540	64,794	31,638
Salvador	21	1	171	104
San Domingo	45	21	300	95
Spain .....	....	....	66	115
Switzerland	2,324	1,078	10,818	7,735
Turkey	64	1,217	6,703	11,531
Hawaii	412	281	1,371	1,567
Puerto Rico	231	21	1,236	793
Uruguay	113	81	881	600
Venezuela	148	92	1,059	471

Exports by Principal Commodities

Total domestic exports	257,021	292,861	2,282,002	1,874,269
Agricultural products	42,644	38,450	465,238	266,038
Fruits	613	594	2,787	2,289
Vegetables	1,082	318	7,684	4,490
Grains	27,920	24,616	314,219	169,251
Barley	3,397	2,876	20,021	21,998
Wheat	21,243	19,025	249,190	117,280
Wheat flour	4,961	5,901	60,321	45,872
Alcoholic beverages	1,630	1,336	12,280	9,265
Seeds	785	2,061	16,347	10,141
Animal products	32,062	26,490	261,295	188,285
Cattle (except for stock)	481	603	3,770	3,933
Fishery products	5,515	5,691	40,197	34,789
Furs (chiefly raw)	940	1,898	19,946	17,169
Hides, raw	46	26	410	444
Leather, unmanufactured	190	286	1,969	2,520
Leather, manufactured	342	197	2,513	1,337
Meats	13,284	10,602	147,081	89,973
Butter	178	28	1,360	276
Cheese	5,949	4,275	13,827	14,108
Eggs	2,123	1,564	13,608	12,451
Fibres and textiles	4,164	2,483	32,478	16,183
Cotton	439	331	4,141	4,345
Flax	228	220	1,689	1,927
Wool	1,835	768	13,900	2,570
Artificial silk	666	477	4,047	2,549
Wood and paper	39,704	37,079	277,387	244,734
Planks and boards	8,382	7,379	51,340	43,436
Timber, square	70	42	410	380
Shingles, red cedar	616	542	4,580	4,253
Pulpwood	2,247	2,025	11,838	10,310
Wood pulp	9,812	8,795	65,790	66,575
Paper, newsprint	13,429	13,334	103,303	90,769
Iron and products	50,165	72,285	552,304	422,129
Pigs, ingots, etc.	1,240	2,240	10,259	16,214
Rolling-mill products	889	204	6,491	2,042
Tubes and pipes	185	39	1,684	273
Farm implements	867	1,040	9,338	8,027
Hardware and cutlery	263	266	2,325	2,230
Machinery, other than farm	1,869	683	15,663	6,946
Motor vehicles and parts	27,881	52,132	300,672	293,123

	Month of August		Six Months ended August	
	1944	1943	1944	1943
	Thousands of Dollars			
Non-ferrous metals (excluding gold)	22,619	27,484	214,751	221,004
Non-metallic minerals	5,353	5,958	38,078	40,011
Coal	479	596	4,077	3,299
Petroleum	1,203	796	4,478	4,064
Stone	1,547	1,752	11,805	12,041
Chemicals	7,318	7,256	65,944	52,706
Acids	202	217	1,417	1,941
Fertilizers	1,965	1,223	16,511	11,011
Soda compounds	139	452	2,089	2,692
*Miscellaneous	52,992	75,377	374,527	423,178
Electric energy	321	723	4,974	5,243
Films	168	24	1,119	420

*Includes certain military stores.

BELGIAN CONGO RUBBER PRODUCTION

From less than 2,000 tons in 1942, rubber production in the Belgian Congo rose to about 12,000 tons in 1943. Exports for the two years were 1,642 and 7,974 tons respectively. At the end of 1943 the Belgian Colony was producing rubber at the rate of 1,250 tons a month, and it is expected that the total for 1944 will reach 15,000 tons.

The rise in exports last year was principally in collected natural rubber. Before the war collection of natural rubber, according to *The African World*, had virtually ceased, only 71 tons being exported in 1938 as against 1,082 tons of plantation rubber. When the leading sources of rubber supply were lost to the Allies early in 1942,

the Belgian Congo set to work to stimulate rubber production to the utmost. New plantations were established and the collection of wild rubber resumed and organized.

Initial effects of these efforts were a rise in exports in 1942 to 305 tons of collected rubber and 1,337 tons of plantation rubber. In 1943, however, exports of the wild product rose sharply to 6,210 tons, while those of plantation rubber advanced moderately to 1,764 tons. The full effect of the planters' efforts, as distinct from those of the native collectors of wild rubber, will not be apparent for some time, of course, since new plantations do not begin to yield rubber for several years.

TRADE REGULATIONS AND TARIFF CHANGES

Mexico

HEALTH REGISTRATION FEES REDUCED

With reference to the notice in *Commercial Intelligence Journal* No. 2117 (August 26, 1944), page 179, regarding a Mexican decree, effective August 11, 1944, which reduces the Mexican health registration fees for patent medicines, pharmaceutical specialties, toilet and beauty products of all kinds, and food-stuffs and beverages of all kinds from 200 pesos to 20 pesos per product, Mr. C. S. Bissett, Commercial Secretary at Mexico City, advises that the decree is applicable to all the foregoing products, whatever their country of origin. Heretofore Mexican products

have paid 20 pesos per product. Under the United States-Mexican Trade Treaty concluded in 1942, the fee for United States products has also been 20 pesos per product. The present decree eliminates this differential and accords the same reduced rate to all products of all countries.

A further provision extends the period of validity of registration from two years, as heretofore, to five years. The net result of the decree, in respect of both the reduction in the fee and the extension of the validity of registration, is to reduce the cost of registration over a period of five years to 4 per cent of what it was up to August 11.

AIRMAIL RATES TO BRITISH WEST INDIES AND BERMUDA

The Canadian Trade Commissioner at Port of Spain, Trinidad, reports receiving complaints from importers in his territory that airmail letters from Canadian firms have been arriving with insufficient postage, with the result that the recipients have to pay postage surcharges. He adds that some Canadian firms appear to be unaware that airmail postage to the British West Indies is at a higher rate than airmail postage to addresses within Canada, as they affix only the postage required for the latter.

Canadian exporters are accordingly reminded that the rate of postage on airmail letters from Canada to the British West Indies is 10 cents per quarter-ounce or fraction thereof.

As noted in the issues of the *Commercial Intelligence Journal* of May 13 and August 12 last, the rate of postage on airmail letters from Canada to Bermuda—from which similar complaints have been received—is 5 cents higher than to the British West Indies; that is, it is 15 cents per quarter-ounce or fraction thereof.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 18, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 18, 1944, and for the week ending Monday, September 11, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 11	Nominal Quotations in Montreal Week ending Sept. 18	Official Bank Rate
Great Britain... Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2773	.2756	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela. Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

French North Africa

YVES LAMONTAGNE, Economic Adviser, Office of the Representative of Canada to the French Committee of National Liberation, 48 boul. Saint-Saens, Algiers, French North Africa. Address for letters (at domestic rates)—Canadian Mission, Algiers, c/o D.P.S., Ottawa. *Cable address, Stadacona.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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DAIRYING IN SOUTHERN RHODESIA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

The prospects for dairying in Southern Rhodesia will depend very largely on post-war developments. Despite considerable expansion during the past few years, the Colony is not producing sufficient dairy products for its own requirements. This applies particularly to butter and, to a lesser extent, cheese. Dried milk and condensed milk are not manufactured.

Southern Rhodesia is essentially a pastoral country, and the development of dairying is therefore quite natural, but certain areas are more suitable for this type of farming than others. In general, dairying is carried on where rainfall is not less than 25 inches per annum and, although there are exceptions, this usually means at an altitude of 3,500 feet or more.

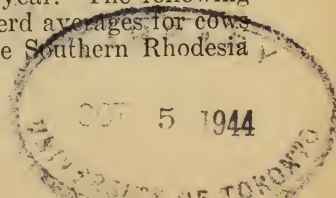
Feeding

Southern Rhodesia does not possess the feed advantages that are found in

some parts of South Africa and Kenya. The natural pasturage is inferior and, with a few exceptions, inadequate for the maintenance of milk production for more than a few months of the year; supplementary feeding is therefore usually necessary for seven or eight months of the dairying season. The feeds most commonly grown are hay, leguminous and other types, silage products such as corn and sunflowers, and concentrates such as corn, beans, peanuts, etc. Usually about two acres of these are required to produce food for each cow in a herd.

Herd Production

When adequate provision is made for supplementary feeding, it is possible to maintain a dairying herd with an average production of 700 to 800 gallons of milk a year. The following figures show the herd averages for cows recorded under the Southern Rhodesia



Government Milk Recording Scheme during the past few years:

Southern Rhodesian Production Averages

	Milk Lbs.	Butterfat Lbs.	Days No.
1939-40.....	5,098.30	191.40	281
1940-41.....	5,545.55	204.21	282
1941-42.....	5,621.68	204.82	280
1942-43.....	6,161.46	225.88	285

The most popular breed for dairying is the Friesland, grade and pure-bred, but Red Poll and the Guernsey are also favoured.

Creameries and Cheese Factories

There are four registered creameries in Southern Rhodesia, one each at Umtali, Salisbury, Gwelo and Bulawayo; the last-mentioned is a fully co-operative creamery. These plants are well distributed and have good rail connections.

There are seven cheese factories, three at Chipinga, one at Headlands, and one each in Salisbury, Gwelo and Bulawayo. Five of these factories are co-operative, and the other two are privately owned. These seven plants account for about 80 per cent of the total output. The principal type of cheese made is Cheddar, but there is a modest production of Gouda and some Roquefort. In addition small quantities of soft types, such as cream cheese, cottage cheese and others, are also produced.

Prices of Dairy Produce

Wholesale and retail prices for creamery butter and minimum prices for butterfat, as well as wholesale and retail prices for Cheddar and Gouda cheese, are fixed by the Southern Rhodesia Dairy Industry Control Board. During the past twelve months the wholesale and retail prices for first-grade creamery butter were fixed at 1s. 9d. and 2s. per pound, respectively, while the minimum price for first-grade butterfat was 1s. 5d. in the summer and 1s. 7d. in the winter months. The summer price was supplemented by a 1d. subsidy, paid by the Government, bringing the mini-

um return to 1s. 6d. per pound. The winter price was supplemented by a bonus of 3d. per pound from the Price Equalization Fund, to which all creameries contribute at the rate of 2d. on each pound of butterfat received by them during the summer months. In addition to these prices the creameries also paid bonuses ranging from 1½d. to 2d. per pound. The producer therefore received an average price of 1s. 10d. per pound, i.e. 1d. per pound more than the wholesale selling price of first-grade creamery butter and equivalent to about 9d. per gallon of milk. The minimum summer and winter prices of 1s. 5d. and 1s. 10d. have been guaranteed by the Government for a period of two years after general demobilization begins.

Cheese prices are fixed by the Dairy Board at 1s. 3d. per pound wholesale for first-grade Cheddar and Gouda cheese and 1s. 6d. and 1s. 8d. respectively for retail sales. The wholesale price was supplemented by a subsidy of 1d. per pound, paid by the Government on all Gouda cheese and on first- and second-grade Cheddar. The average annual price paid for milk supplied to these factories was about 10d. per gallon.

Dairy Legislation and Control Measures

Control of the Dairy Industry is exercised under the Dairy Act of 1937, which makes provision for regulation of the industrial side by the establishment of the Dairy Industry Control Board, the collection of levies and the payment of bounties, the registration of creameries and factories, and the grading of dairy produce, and also for public health aspects such as the registration and inspection of dairies and the enforcement of standards of quality, etc., for all dairy produce.

The Dairy Industry Control Board has wide powers and functions. For example, it imposes and collects levies on all butter and cheese made in or imported into the Colony. It may also use levy funds for stabilizing prices, reducing production and marketing costs, encouraging consumption, and assisting and encouraging dairy re-

search. The Board has power to fix minimum prices for butterfat and milk supplied to factories producing cheese and dried and condensed milk. It also has power to import, purchase, store, sell and re-export butter and cheese and may compel others to export if necessary. The Board advises the Minister of Agriculture on all matters relating to the development and welfare of the dairy industry.

Standards for Dairy Produce

The main composition and quality standards of dairy produce are as follows: milk must contain not less than 3 per cent milk fat and not less than 8.5 per cent non-fatty solids, must be free from tuberculosis, and must satisfy the requirements of the Methylene Blue Test; pasteurized milk must comply with these standards and may not contain more than 100,000 bacteria per millilitre; cream must contain not less than 35 per cent milk fat, must not contain any preservative or colouring matter or any fat or oil other than milk fat, and must be free from tuberculosis (these standards do not apply to cream supplied to a creamery for conversion into butter); reduced cream must comply with the same standards but must not contain less than 20 per cent milk fat; butter must contain not less than 80 per cent milk fat, not more than 16 per cent water, not more than 4 per cent salt, no mycobacterium

tuberculosis, and must be free from preservatives; cheese, such as Gouda and Cheddar, must contain not less than 45 per cent milk fat in its water-free substance and may not contain any fat or oil other than milk fat; cream cheese must contain not less than 55 per cent milk fat in its water-free substance; skim-milk cheese must not contain less than 10 per cent milk fat.

Dairy Output in 1943

There was a considerable increase in the quantity of fresh milk sold in Southern Rhodesia in 1943, the total being 3,639,064 gallons as compared with 3,146,797 gallons in 1942.

Butterfat sold by farmers also rose 157,652 pounds over the 1942 figure of 851,952 pounds (the equivalent of 212,988 gallons of cream) to 1,009,604 pounds (252,401 gallons of cream).

The production of butter by creameries and on farms increased from 1,335,602 pounds in 1942 to 1,439,361 pounds, creamery butter rising from 1,149,271 to 1,315,407 pounds and farm butter decreasing from 186,331 to 123,954 pounds.

The amount of cheese produced by factories and farm dairies showed an increase of 46,796 pounds, from 496,252 pounds in 1942 to 542,948 pounds. Of this total 420,092 pounds were made by cheese factories and 122,856 pounds by farm dairies.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

5. GRAIN OTHER THAN WHEAT

By J. McANSH, *Grain Statistician, Dominion Bureau of Statistics*

Unlike wheat production in Canada, the bulk of which goes for export, the production of other grain crops, and especially oats and barley, has been consumed largely within the Dominion. These two crops are grown primarily as feed grains for maintenance of the live-stock population in Canada, although on occasion quite substantial amounts of both have been exported abroad. The export shipments of

Canadian oats reached their greatest volume during the period of the first Great War and again during the current conflict, while barley exports were at their peak in the late 20's and again during the last two years.

Not only have the export shipments of Canadian oats and barley reached their greatest combined total during World War II, but acreage expansion in these two crops has been

quite marked since 1940. The demand for live-stock products from North America led to heavy increases in live-stock numbers and consequent need for larger supplies of feed grain. Government policy in 1941 and during the two succeeding years favoured the planting of less wheat and acreage expansion in feed grains and oil-seed crops. To this end, monetary inducement was offered and the shift away from wheat and into oats, barley and flaxseed was pronounced.

Most of the increased production of oats and barley during the three years 1941-43 was consumed in Canada, but by reason of bumper crops in 1942 it was found possible to export large quantities to the United States where a feed deficiency had developed. Surplus flaxseed was also exported to the United States, and practically all of the rye surplus moved from Canada went to her neighbour to the south. Thus Canada, mostly wheat conscious in pre-war days, has now become distinctly feed grain conscious.

The shifts that have taken place in acreage seeded to oats, barley and flaxseed in the three Prairie Provinces during the war years are shown in the following table:

	Oats	Barley	Flaxseed
	Thousand Acres		
1936-40 (average)	8,500	3,645	298
1940	7,818	3,622	364
1941	8,137	4,735	982
1942	9,666	6,414	1,466
1943	11,790	7,896	2,918
1940-43 (average)	9,353	5,667	1,433
1944	10,447	6,763	1,298

Oats

History does not record whether or not the Scots discovered oats. It does reveal that the natives of Caledonia consume oatmeal in liberal quantities although man, whether Scot or otherwise, has long since taken second place to the animal population in the consumption of oats. As a standard feed grain for horses, oats have been grown in many lands; but in Canada the use of oats mixed with other grains has increased tremendously as a feed for cattle, hogs and poultry.

EXPORT VOLUME AND TRENDS

Canadian records make little mention of the production of oats in the early days of white settlement, but as far back as 1868 nearly 2,000,000 bushels of oats were exported from Canada, chiefly to the United Kingdom and the United States. About 30 years later the export movement had increased fivefold, the total exports in 1899 exceeding 10,000,000 bushels.

It was during the first Great War that exports of Canadian oats really surged upwards to reach a total of more than 62,000,000 bushels during the crop year 1915-16 and more than 64,000,000 bushels in 1916-17. The shipments slumped to 28,000,000 bushels in 1917-18 and averaged approximately 28,000,000 bushels annually during the succeeding nine years. Then followed a number of lean years in the export field which carried along until World War II provided an export outlet to the United States.

MARKETS AND COMPETITORS

World competition in the export of oats is not comparable to that in wheat, despite the enormous production of this grain in European countries and in North America. The United Kingdom is probably the largest single importer, while Switzerland, the Netherlands, Belgium and Italy are the next best customers and Denmark and France occasionally substantial importers. The principal exporting countries in pre-war years included Germany, Russia, Roumania, Czechoslovakia, Argentina, Chile, the United States and Canada. Their combined exports, however, were only a small part of the total production of oats, emphasizing that this crop is predominantly grown as a feed grain in the country of production.

RATIO OF EXPORTS TO PRODUCTION

When prices are relatively high, more oats move from farms into commercial channels; but Canadian records show that even in years of

relatively high export shipments, these are but a small fraction of the total production of oats in Canada. During the six years 1920-21 to 1925-26, for instance, when exports averaged more than 25,000,000 bushels annually, this was less than 3 per cent of annual production during the same six years.

Barley

Some authorities suggest that barley is the oldest of all cultivated cereal crops. At one time it constituted an important part of the diet of people in southern Europe, but like oats it has been largely a feed grain for live stock in Canada during the history of grain growing in the Dominion. A small percentage of the Canadian barley crop goes into the production of malt products, and some is consumed as human food, chiefly in soups, but the crop as a whole is considered a feed for live stock and its use in Canada has greatly expanded with the growing hog population of the present war period.

SHIPMENTS AND MARKETS ABROAD

Barley was an important cereal crop in Ontario in the latter part of the 19th century, and at that time fairly large exports were made to the United States. The record shows that in 1889-90 the United States imported about 10,000,000 bushels of Canadian barley, most of which was produced in Ontario. This trade suffered when in 1890 the tariff on Canadian barley entering the United States was increased from 10 cents per bushel to 30 cents per bushel.

Since that time, Western Canada has greatly expanded its production of barley and tariffs on barley entering the United States from Canada have been considerably modified,* with the result that exports on a fairly liberal scale have again been made possible. The movement of Canadian barley to the United States has been erratic

during the past 20 years, but in the two years 1942-43 and 1943-44 the United States bought very heavily from Canada, and in fact provided the only important outlet for Canadian surplus supplies.

The production of suitable malting types of Canadian barley for the United Kingdom market was a subject of intense study during the period between the two wars, and prior to the outbreak of the present conflict Canadian barley was being purchased in fairly liberal quantities by Scottish distillers.

There was a very large export trade in Canadian barley during the five crop years 1924-25 to 1928-29 as the following record of export shipments shows:

Crop Year	Bushels
1924-25	27,772,000
1925-26	34,182,000
1926-27	38,795,000
1927-28	26,442,000
1928-29	40,148,000

The peak was reached during the banner year 1928-29 when Canadian exports of wheat also reached their highest total on record, but exports receded sharply during the next ten years and did not again approach the pre-depression totals until the United States began to buy heavily during the two crop years 1942-43 and 1943-44.

VOLUME OF INTERNATIONAL TRADE

International trade in barley prior to the slump in 1930 was running in the neighbourhood of 175,000,000 bushels annually and up until 1929 Canada was enjoying a good share of this movement. Chief competitors were Roumania, the United States, Argentina and Poland, while Russia occasionally came on the market and was a big exporter in the calendar year 1930.

Trade figures show that Germany was the largest importer of barley in those years, although some of the barley shipments credited to Germany may have been in transit to other countries. The Netherlands also imported liberally and with Belgium and Germany ranked high in the list of

*The rate of duty was reduced in 1913 to 15 cents; in 1922 it was raised to 20 cents, at which it remained until reduced again to 15 cents on January 1, 1939, under the Canada-United States Trade Agreement.

European continental importers. The United Kingdom imported roughly 20 per cent of the total international trade in barley in those years of liberal shipments.

Barley has presented no surplus problem in Canada during the war years 1939-44 largely because of the great expansion which has taken place in Canada's live-stock population, and the ready market that existed in the United States for any surplus stocks held in Canada. It was actually found necessary in 1944 to place a ban on the exports of Canadian barley until such time as commercial supplies from the 1944 harvest assured feed supplies for the domestic market.

Rye

Like wheat, rye is in the category of a bread grain; but in many countries where it was formerly consumed largely by the human population, rye has been displaced by wheat. It is believed that at one time rye was eaten extensively in the British Isles but it has now given way almost entirely to wheat.

WHEAT VERSUS RYE

The decline of rye consumption in favour of wheat consumption was discussed by the International Review of Agriculture in 1929 and the following reasons advanced for the trend toward wheat:

"The habit of doing what other people do, especially those whom we consider superior has, no doubt, been one of the strongest forces working in favour of an increased wheat consumption. Wheat, being too expensive to be used by all people, came quite early to be regarded as a mark of superior social position, and consequently its use spread as the result of social ambition and imitation.

"As rye has been more the bread of the country than of the city, the growth of the city population has also been a strong contributing factor to the decrease in the consumption of

rye bread and so has too the increase in the real wages of the masses, an increase which has made it possible for them to realize to a still greater extent their social ambition in respect of wheat eating.

"The increase in the demand for wheat has been met by a huge increase in the supply owing to the opening up of new production areas in non-European countries, the improvement and cheapening of transport, the results obtained by seed selection, which has been more generally directed towards wheat than rye cultivation, and not least, the invention of methods for producing nearly unlimited quantities of cheap synthetic nitrogen, a factor of a much greater importance for wheat-growing than for rye-growing."

The historical background of rye suggests that it is of more recent cultivation than either wheat or barley. It was produced extensively by the early central and northern European peoples and the ability of the crop to thrive under adverse climatic conditions was probably responsible for the extension of the rye-growing area in the northern regions of Europe.

Rye bread and other human foods produced from rye still hold an important place in the diet of the people of Russia, Poland and Germany where the bulk of the world's rye crop is produced. It is also a feed grain in some of these countries, but its chief use is the production of rye flour for human consumption.

PRODUCTION IN CANADA

In Canada the production of rye was relatively small during the early part of the 20th century but during the first World War there was a notable expansion of acreage and production as the following figures show:

	Crop Area Acres	Production Bushels
1914	111,280	2,016,800
1915	121,677	2,486,200
1916	148,404	2,876,400
1917	211,880	3,857,200
1918	555,294	8,504,400
1919	753,081	10,207,400

This expansion continued during the early post-war years and the peak of rye acreage in Canada was reached in 1922 when more than 2,000,000 acres were seeded and a crop of more than 32,000,000 bushels harvested. Most of this crop was produced in the Prairie Provinces where the Province of Saskatchewan contributed heavily. The trend of rye acreage was mainly downward between 1922 and 1938 but in the year that World War II commenced there was a notable rise in rye acreage and this was fairly well sustained until 1943.

EXPORTS FROM CANADA

Canada has been exporting rye in varying amounts since Confederation. As early as 1882 more than 1,000,000 bushels of Canadian rye were exported but the period of greatest export was between the two wars. The following is a record of the exports during the ten years 1922-23 to 1931-32:

Crop Year	Bushels
1922-23	10,175,442
1923-24	7,571,653
1924-25	6,336,131
1925-26	6,222,961
1926-27	8,301,191
1927-28	11,265,030
1928-29	5,751,232
1929-30	347,789
1930-31	2,089,847
1931-32	9,047,138

During the second World War most of the rye exported from Canada has found its way to the United States, but in normal times Canadian rye would be exported to several European countries. It is apparent from Canadian statistics, however, that a large part of the rye crop produced in Canada never leaves the farms. Some of this is consumed as live-stock feed but doubtless a good deal also disappears as food in the homes of farmers who came to Canada from European countries where rye flour was heavily consumed.

Flaxseed

Although Canada produces both fibre flax and flax for oil, the principal production is flaxseed for oil. This crop was produced extensively in West-

ern Canada when the prairie regions were being opened up for settlement prior to the first Great War. It is an excellent crop to grow on new breaking and the settlers who came to the West to farm in the three years 1911-13 went quite heavily into flaxseed production.

VARIATION IN PRODUCTION

More than 2,000,000 acres were planted to flaxseed for oil in 1912 and a crop of more than 26,000,000 bushels was produced. This proved to be the peak for both acreage and production until wartime developments necessitated the expansion of acreage in 1943, although production fell short of the 1912 crop despite greater seed acreage.

In the early years of high production, Canada was an exporter of flaxseed, largely to the United States but on occasion to the United Kingdom. The crop became less popular after the first Great War and almost disappeared just prior to World War II. Canada was then in the position of a net importer, being obliged to import from Argentina in order to keep her crushing industry in operation.

WARTIME PROGRAM

Since 1941 Canada has engaged in a program aimed at greater production of flaxseed for oil, not only because the oil was needed for war industry but because the by-product of oilcake and meal was in heavy demand as a high protein feed for the greatly expanding live-stock industry. As a result of these wartime developments, Canada has again become an exporter of flaxseed, most of which has gone to the United States.

Crushing facilities for flaxseed and other oil-bearing seeds has also been greatly expanded in Canada during the past two years and it is expected that by the end of 1944 this capacity will reach 8,000,000 bushels per year. Part of the crushing facilities is being devoted to the processing of soybean, another oil-seed crop which has been

grown more extensively since 1939, and for such wartime crops as sunflower seed and rapeseed.

Acreage seeded to flaxseed in 1944 was only about half the acreage planted in 1943, despite an increase in the price to \$2.75 per bushel for No. 1 C.W. basis in store Fort William-Port Arthur. It is not a popular crop with farmers except where there is new breaking and only very attractive prices relative to wheat, and other grains appear to influence acreage expansion. Flax is a poor weed fighter and dockage in the crop is usually quite high.

USE OF OIL

Most of the oil produced from flaxseed is used in the paint, varnish and

oilcloth industry and there would appear to be a large prospective post-war market for this oil during the period of rebuilding which will follow the cessation of hostilities.

Other Crops

Other grain crops produced in Canada include mixed grains. These are quite extensively grown in some provinces and especially in Eastern Canada. They are not an export commodity but are grown exclusively for feed. The mixtures are wheat and oats or wheat and barley. Buckwheat is produced also in moderate volume. Some of this is made into flour for human consumption and a little is exported from time to time.

INDUSTRIAL DEVELOPMENT IN NEWFOUNDLAND

By J. C. BRITTON, *Acting Trade Commissioner at St. John's*

The Newfoundland Industrial Development Board, incorporated in 1942 with the object of broadening the country's economy, recently presented their second annual report, for the period July 1, 1943, to June 30, 1944. (A report on the organization of the Newfoundland Industrial Development Board was published in *Commercial Intelligence Journal* No. 2021: October 24, 1942, page 374).

The activities of the Board have increased since the commencement of operations at the beginning of July, 1942, and, as a consequence, the Executive has been enlarged and a subcommittee appointed with headquarters on the west coast of Newfoundland.

Concrete results listed among the year's accomplishments include the establishment of a creosoting plant at Clarenville, to make available treated timbers for construction purposes, and the erection of a plant in St. John's to manufacture marine engines up to 10 h.p. The Newfoundland Industrial Development Board was primarily responsible for both of these enterprises, which are expected to come into operation shortly. At present the

Board is engaged in compiling a booklet containing information concerning Newfoundland's natural resources and data covering possible manufacturing sites, taxation, transportation and general details of interest to organizations and persons who may have in mind the establishment of an industry in Newfoundland. The booklet will be similar in format to brochures issued by boards of trade, development boards, and chambers of commerce throughout Canada and the United States.

Resources Survey

Since its inception the Board has stressed the necessity for a survey of the Island's resources as a basis for future development. The Government has undertaken soil surveys in certain areas, and in addition a geological survey has been under way for a number of years. The President, in his report covering the past year's operations, again emphasizes the desirability of an all-inclusive survey to provide accurate information covering Newfoundland's forest, fisheries, mineral, water power, agricultural, and other resources. The survey advocated by the

Newfoundland Industrial Development Board would also include data on the cost of developing and marketing these resources.

The Board decided to secure the services of a highly trained technical official as soon as possible, with a knowledge of industrial surveys and business development. It was furthermore recommended that the young men and women of Newfoundland be trained for the task of carrying on research work within the country. To achieve this object, a properly equipped Newfoundland University to provide trained personnel in engineering and other professional fields was advocated.

Projects Investigated

In addition to research carried on with respect to the creosoting plant and the manufacture of marine engines, already referred to, the Board also investigated the possibility of producing alcohol from waste sulphite liquors in the country's pulp mills. It was estimated that the two plants would produce more than 1,400,000 gallons of alcohol annually from this source.

A large number of the fresh-fish plants in Newfoundland are now using cardboard cartons for packaging, and the Board is examining prospects of manufacturing these cartons locally.

The question of producing cement has also been considered, and samples of limestone, silica clay and pyrophyllite were dispatched to the United States for testing.

A display of furniture manufactured in Newfoundland was held in St. John's, through the efforts of the Board, and serious consideration is being given the question of commercial furniture manufacturing.

A survey of handicraft industries of the United States and Canada was also undertaken, following which the development of handicrafts in the country is being encouraged. As a result of the Board's activities in this direction, there is a possibility that a Director of handicrafts may be appointed.

Study was given the potential development of Newfoundland's gypsum

deposits, and inquiries were received concerning the export of this mineral. The Board has not encouraged the export of gypsum in the raw state, being more concerned with the manufacture of gypsum products in Newfoundland.

A study of the possibility of the manufacture of laminated paper on the Island has been carried out, and in addition it is hoped that, directly through the Board's efforts, the manufacture of paper bags will be commenced shortly. The prospects of manufacturing wallboard are also being investigated, and attention has been given the production of wooden handles.

The foregoing are more important researches carried out by the Board during the year under review, but surveys were also made for numerous other commodities, including quartz, asbestos, hydrogenated oils, peat moss, soap, brewers grains, wooden toys, bricks, and gas-producer units. A complete survey of production costs and local requirements of wooden boxes was also undertaken. It was found that the cost of producing wooden boxes in Newfoundland was considerably higher than in Canada.

Basic Industries

Newfoundland's economy normally fluctuates with conditions in the country's basic industries, which are fishing, mining, and the production of pulp and paper and other forest products. Agriculture is not a large-scale industry in Newfoundland, and a major proportion of the country's foodstuffs are imported.

Prior to the outbreak of the present war, more than 80,000 persons were on able-bodied and sick relief out of a total population, according to the census of 1935, of approximately 300,000. Conditions have improved considerably during the past three years, particularly since the commencement of base construction, but this work is gradually tapering off. However, there is still little if any unemployment in the country, due in part to the recruitment of more than 3,000 men and

women for work in essential industries in Canada and the United States. In addition highly satisfactory returns have been received from the fisheries during the past two seasons, and this has resulted in a greater number of men returning to this occupation. The cod fishery gave employment to 20,000 men during 1943 as compared with 17,500 in 1942 and 18,500 in 1941. The total for 1944 will probably exceed the 1943 figure. There were 35,000 men engaged in the cod fishery in 1935. Pulp and paper manufacturing and related woods operations employed more than 7,000 in 1943, while the number engaged in mining exceeded 3,100. Retail stores in Newfoundland provided employment for approximately 18,000 people in 1940 and, according to the census of 1935, these and the basic industries outlined are the chief sources of employment for the country's 80,000 employable males.

The Government announced earlier this year a program aimed at modern-

izing the country's fisheries. The proposals involved the erection of fish-freezing and processing plants at strategic points throughout Newfoundland. It is desired to establish markets for Newfoundland's fresh fish in adjacent Canadian and United States centres and to reduce the country's dependence on the variable dried-fish markets, which have been the sole purchasers of Newfoundland's fish exports in the past. It is expected that the fishing industry will eventually provide employment for a larger number of men than it does at present. This will be a gradual process, and what is required at the moment is an industry or outlet capable of affording employment for a considerable proportion of the country's population in the period immediately following the war. Despite the prosperous conditions which have existed during the past three years, no new basic industry has been introduced.

St. John's, August 28, 1944.

NEW ZEALAND MEAT PRODUCERS' BOARD

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

The annual report of the New Zealand Meat Producers' Board, recently published, provides interesting information concerning its work and the meat industry of New Zealand.

Throughout the year the Board has maintained strict supervision of the industry, with particular attention to the urgent need of increasing shipments of meat to Great Britain. Other important objectives are the long-term planning of production and support to the discussions between the New Zealand and United Kingdom Governments for the purchase by the latter of New Zealand's exportable surplus of meat and dairy products under a four-year contract. An early announcement on the result of these discussions is expected.

Meat Pool

When all the meat killings to the end of this season are finally sold, the

Meat Pool Account will show a surplus of not less than £3,500,000, according to present estimates. Referring to the latest account of the pool available from the Marketing Department (Export Division), the report states that this shows a surplus of £1,883,547 to July 31, 1943. This, however, represents killings sold up to that date. It is estimated that, when the final purchase and sale accounts of the 1942-43 season's killings are published, the balance in the Pool Account to the end of the season will be considerably over £2,000,000.

It is pointed out that the position in respect of the current season, ending on September 30, is difficult to estimate at this stage, but that one of the main purposes for which the account was originally created has now entirely disappeared. This was to provide a fund for maintaining the value of ewe mutton at a reasonable level. All ewe

mutton is now being shipped in the form of frozen carcasses, in accordance with the wishes of the United Kingdom Ministry of Food.

Disposal of Price Increases

Following are the increases in prices per pound in sterling which have been paid for frozen meat by the United Kingdom Government to the New Zealand Government since the original

agreement between the Farmers' Federation and the Government relating to farm products stabilization accounts.

Killings for Export

The following table shows killings for export during the 1943-44 season (beginning October 1, 1943), up to May 22, 1944, with comparative figures for the previous season (to May 29, 1943):

	1943-44	1942-43
Beef (quarters)	258,816	469,698
Wether mutton (C/cs.)	553,451	582,649
Ewe mutton (C/cs)	1,751,721	1,663,007
Lamb (C/cs)	9,601,257	10,534,077
Pork (porkers) (C/cs)	158,065	91,733
Pork (choppers) (C/cs.)	6,116	.....
Boneless beef (Frt. C/cs.)	438,074	740,253
Boneless bobby veal (Frt. C/cs)	64,401	77,733
Sundries (Frt. C/cs.)	301,203	340,817

f.o.b. sterling prices were fixed in 1939: From October 1, 1941—beef, 3s. 8d.; wether mutton, 1s. 4d.; ewe mutton, 1s. 4d.; lamb, 3s. 8d.; porkers, 1s. 4d.; baconers, 3s. 8d.; beef and lamb offals, 3s. 8d.; mutton and pork offals, 1s. 4d. From October 1, 1942—beef, veal, beef and veal offal, 3s. 16d.; porkers, baconers, choppers and pork offal, 5 per cent increase. From October 1, 1943—wether and ewe mutton, 1s. 2d.

The increase from October 1, 1941, the Board states, goes into the Meat Pool Account. The disposition of the increase from October 1, 1942, is at present under discussion between the Board and the Government. The last increase, from October 1, 1943, is credited to the Meat Stabilization Account, which was provided for in the

The current season began with clear stores but, owing to a temporary shortage of shipping, the storage position in some districts at the peak of the killing season necessitated special arrangements being made to avoid any serious hold-up of killings. It is expected that the present season will finish with stores again satisfactorily cleared in readiness for the new season.

Production of dehydrated meat for the calendar year 1944 is estimated at 2,500 tons; this is the quantity named in the contract between the British and New Zealand Governments. The classes of meat to be used are bull beef and bobby veal.

Auckland, July 28, 1944.

INDIAN MARKET SURVEY

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

III. Canadian Trade With India

Despite the fact that both India and Canada rank among the leading trading nations of the world, the value of trade between them has never been large. For several years prior to the outbreak of war the value of India's exports to Canada averaged about Rs.18,000,000 per annum as against an import value for Canadian goods of approximately Rs.8,000,000. In in-

dividual years the ratio in India's favour has been over three to one, while, in general, exports to the Canadian market have been approximately two and one-half times the value of imports.

Factors in Trade Volume

The comparatively small value of Canadian-Indian trade may be

ascribed to the following principal factors: (1) restricted demand in India, itself an agricultural country, for several of Canada's principal exports such as wheat and other farm products; (2) inability of Canadian industry to supply such staple Indian requirements as textile manufacturing machinery, dyes, and a number of other industrial materials; (3) inability of Canadian firms to compete in price with European suppliers in a wide range of manufactured goods; (4) absence of preferential tariff treatment for Canadian goods imported into India; (5) weak Canadian demand for India's principal exports with the exception of tea and jute products.

There have been other contributory factors such as the small European population in India and the resulting small demand for such articles as wearing apparel and household goods in the western style, the inadequate facilities available for the regular and direct shipment of Canadian goods to local ports, the general lack of knowledge on the part of Canada's commercial community regarding local conditions, and the natural tendency on the part of exporters to pay prior attention to more familiar, accessible, and productive markets.

Main Items in Trade

Canadian trade to the Indian market has for many years past been based largely on local demand for motor cars, commercial vehicles, and parts. In 1937-38, for example, the business in these goods made up some 65 per cent of the total value of Canadian imports. Next in importance, with considerable variations in value from year to year, are such items as aluminium, newsprint paper, rolled oats, calcium carbide, lumber, and canned fish. There has at the same time been a regular trade in evaporated milk, pickles and sauces, ferro-alloys, tires and tubes, belting, zinc, and asbestos fibre.

India's exports to Canada have comprised to a large extent tea and jute cloth. These two items have custom-

arily accounted for over 70 per cent of the value of all shipments of local produce to the Canadian market. Other commodities include groundnuts, carpets and rugs, gunny bags, raw jute, cashew nuts, castor oil, rice, coir products, raw cotton, and shellac.

Wartime Changes

The war has brought about noteworthy alterations in the extent and composition of Canadian-Indian trade. The small values referred to above as applying to this business in pre-war years have now given way to much larger figures. In 1941-42, for example, Canadian exports to India reached a total value of Rs.67,294,252, over seven times that recorded in 1938-39 and higher also than for India's exports to Canada during the same year. This was the first time for many years, if ever, that Canada enjoyed a favourable balance in her trade with the Indian market. In 1942-43 the value of imports from Canada fell off slightly to Rs.55,353,841 but, with a marked decline in exports to Rs.37,799,797, the favourable balance expanded to a figure far in excess of the average pre-war value of a year's imports.

The downward trend in the value of imports from Canada between 1941-42 and 1942-43 has been accelerated during the past fifteen months and, for the calendar year 1943 this figure stood at no more than Rs.29,192,000, less than 50 per cent of the 1942 total. The explanation is to be found (1) in the incidence of trade controls in the two countries and (2) in the assumption by the Indian Government of control of the purchase of many Canadian goods and their resulting clearance as "government stores," in which category they are not included in current trade returns.

It has become difficult on this account to maintain a clear view of the position owing to the different bases adopted by the two countries in compiling trade statistics. Indian Government figures cover only the quantities

and values of "commercial" imports and, whereas they show a progressive decline in the value of Canadian imports, Canadian statistics continue to show extremely large values for shipments to this territory. These comprise goods purchased or otherwise procured by the Indian Government, goods shipped for United Kingdom Government account, and large quantities of war materials and other articles for use by the services but which do not enter into the commerce of the country.

With no corresponding element in India's trade to the Canadian market, except for insignificant quantities of a few materials supplied to Canada through the United Kingdom or the United States, the position at present is that, so far as purely commercial transactions are concerned, India has reduced her purchases of Canadian goods and re-established her favourable trade balance, but the actual value of Canadian exports to this country remains at unusually high levels and shows no signs of falling off until there has been a complete change in the present war situation.

Trade Statistics

Official Indian Government statistics of trade with Canada for the years 1938-39 to 1942-43 are as follows:

Indian Trade with Canada

	Imports from Canada	Exports to Canada
1938-39	Rs. 9,075,586	Rs. 21,386,107
1939-40	13,713,237	41,208,156
1940-41	29,668,455	31,723,736
1941-42	67,294,252	64,714,563
1942-43	55,353,841	37,799,797

Complete details of wartime changes in the composition of the trade are not available, but it may be of interest to record in tabular form the principal features of India's imports of Canadian goods in a pre-war year and details of exports of local products to the Canadian market. The following table shows an abnormally large figure for imports of wheat and a much lower value for those of newsprint paper

than in preceding or subsequent years but is otherwise a reasonably accurate record of the trade:

Imports into India from Canada by Principal Commodities, 1938-39

Commodities	Value Rs.
Motor vehicle chassis.. . . .	2,592,383
Motor cars	1,723,432
Motor vehicle parts.. . . .	906,836
Miscellaneous machinery	674,000
Wheat.. . . .	595,426
Aluminium.. . . .	508,209
Farinaceous foods	316,463
Calcium carbide	310,151
Motor trucks.. . . .	254,614
Lumber	140,394
Canned fish	124,526
Tires and tubes.. . . .	106,899
Ferro alloys	102,814
Pickles and sauces	58,356
Evaporated milk.. . . .	54,023
Newsprint paper	49,074
Miscellaneous foodstuffs	48,154
Rubber belting	40,499
Zinc and spelter	37,294
Raw asbestos.. . . .	35,412
Books and printed matter.. . . .	22,919
Drugs and medicines	22,549
Cement	21,547
Jams and jellies.. . . .	19,113
Hardware.. . . .	18,672
Instruments and appliances	18,012
Writing-paper and envelopes.. . . .	16,041
Miscellaneous metals	14,004
Miscellaneous chemicals	13,544
Wire fencing.. . . .	12,465
Pipes and tubes	11,627
Frozen fish	10,086

The following table gives corresponding details of Indian exports to Canada during the same year:

Exports from India to Canada by Principal Commodities, 1938-39

Commodities	Value Rs.
Tea	9,791,826
Jute yarn, cloth and bags	7,959,232
Groundnuts	761,207
Carpets and rugs	706,282
Cashew and other nuts	671,697
Rice	337,787
Castor oil	201,790
Raw cotton	133,097
Coir yarn and matting.. . . .	114,906
Shellac.. . . .	99,397
Tanned hides.. . . .	91,699
Raw jute	70,410
Raw wool.. . . .	68,355
Rubber and canvas shoes	38,720
Brass manufactures	38,327
Sporting goods	30,995
Mica	30,166
Raw rubber	29,104
Nux vomica	23,227
Pepper	21,160
Raw goat skins	15,000
Works of art	14,130
Miscellaneous foodstuffs	12,043

Possible Post-war Expansion

It seems a reasonable expectation that Canadian trade to the Indian market will eventually comprise, at a minimum, those goods with which it was mainly concerned before the war. There appears to be a fair prospect also that it may be expanded to include a number of the commodities that were successfully marketed during the first year or two of hostilities, such as fresh apples, beer, biscuits, plywood, shooks and battens, kraft and other papers, rubber and linen hose, radio receiving sets, glass manufactures, and a variety of machinery and railway equipment.

It may even develop that more recent wartime trade may lead to similar results in the case of such articles as photographic supplies, wooden telegraph poles, a number of electric appliances, some items of textile-mill equipment, railway locomotives, copper manufactures, fertilizers, various chemicals, and an extensive range of foodstuffs and toilet articles. The producers of many of these goods have, of wartime necessity, had little if any contact with the Indian market, and they may in some instances not have known that their products were for eventual consumption in this country. Their opportunity of building up post-war sales to India will accordingly be less than if the trade had developed along more conventional lines.

It seems well within the realm of possibility, however, that the extensive development in both the volume and variety of Canada's wartime exports to India may be reflected in considerably increased sales to this country after the return of peace.

Notes on Important Commodities

The following brief notes refer in general terms to possible developments in Canadian exports of commodities which have figured more or less prominently in previous trade to this market:

Motor Vehicles.—It is likely that Canadian shipments of motor vehicles to India will continue to constitute the backbone of total trade to this market.

Machinery.—There should be numerous developments in this business, based on improved productive capacity in Canada and increased local demand. These may include increased sales of machine tools, limited quantities of farm and road-building equipment, and complete plant for various industrial processes. Second-hand machinery will be as acceptable as new stock in many instances.

Paper.—Despite the fact that Canada at present has a virtual monopoly of India's newsprint market, it is to be expected that Scandinavian competition will be experienced after the war and that the market will in general revert to its traditional practice of buying from the cheapest source of supply.

Wartime imports of kraft and other papers from Canada point to the desirability of expanding and consolidating exports of these lines to India. In this case also, however, keen competition from a variety of sources may be expected.

Electric Equipment.—There is certain to be a substantial increase in India's imports of a wide range of electric equipment. This will comprise generating, transmission, and distributing materials of all types. Former exports of such articles as insulators, wire and cables may be extended to include turbines, dynamos, transformers, and various smaller items.

Aluminium.—Recent progress in the production of aluminium in India threatens to limit future imports of this metal from Canada. It is still likely to be required in reasonable amounts in special forms or quantities.

Lumber.—Canada's share of the Indian import market has never been commensurate with her export capacity. It is hoped that improved shipping facilities and closer cultivation of trade opportunities may lead to an improvement in the former position.

Rubber Manufactures.—Substantial advances in the range and volume of rubber manufacturing in India have already led to some reductions in purchases of such goods from Canada, particularly in tires and tubes. These may conceivably lead to further declines in the trade, but it seems possible that increased business might be built up in a number of mechanical rubber goods such as belting and hose, also in a variety of hospital, household, and chemists' supplies. The market is already a steady buyer of Canadian-made surgeons' rubber gloves.

Asbestos.—India's principal requirements in asbestos are for a comparatively low-grade product for moulding and other industrial purposes. Imports from Canada have for the most part been made up of waste or other minor qualities. There is a fair market for asbestos packings, which should be of interest to Canadian manufacturers.

Wood-pulp.—Canadian mills have never had more than a very small share of India's orders for wood-pulp. This trade seems capable of considerable expansion.

Canned Fish.—With the possible elimination of Japan from the trade, there seems a reasonable possibility that imports from Canada of salmon, pilchards, herring, sardines, and other canned fish into the local market may develop considerably.

Canned Fruits and Vegetables.—This trade is likely to develop satisfactorily, particularly if producers or exporters are in a position to offer a wider variety than some of these firms have had available to date.

Perishable Foodstuffs.—When direct refrigeration space to main Indian ports is available, there is every prospect of developing regular sales of frozen fish, packing-house products, fresh apples, cheese, butter, and quick-frozen specialties.

Farinaceous Foods.—The trade in rolled oats, macaroni, and allied products, already fairly substantial, may well undergo further expansion.

Alcoholic Beverages.—Increased consumption of Canadian whisky and gin during the early years of the war and an increased degree of appreciation of the quality of these products appears certain to lead to improved trade in future. Canadian beer, never previously sold in India, has also acquired a high reputation and is certain to be included in the general range of Canada's post-war exports to this country.

Iron and Steel Goods.—Increased competition from local industry is likely to prevent any great improvement in post-war trade in these lines.

Tinned Milk.—Former trade in evaporated milk should be capable of some expansion after the war. There is a good market at the same time for the condensed product, which has never been imported from Canada except in small amounts.

Calcium Carbide.—Canada's share of the Indian market for calcium carbide, already a major one, may well be further extended as a result of reduced Japanese competition.

Ferro-alloys.—Increased steel production in Indian mills offers an excellent opportunity for expanding the supply of ferro-alloys to these consumers.

Pickles and Sauces.—This business is likely to continue successfully.

Miscellaneous Foodstuffs.—There is likely to be an excellent opportunity for new and increased sales of a variety of miscellaneous foodstuffs such as jelly powders, biscuits, flavourings, bottled specialties, etc.

Drugs and Medicines.—Canadian firms have in general shown little interest in the Indian market for drugs and medicines. There is a large market for such lines, which is likely to merit thorough investigation.

Toilet Articles.—Few Canadian-made toilet articles have been sold in India to date. There is a wide demand for perfumery, cosmetics, tooth paste, shaving preparations, and allied prod-

ucts, and the business is capable of considerable development.

Novelties.—Canadian manufacturers or exporters should be able to secure considerably more business than in the past in such goods as imitation jewelry, buttons, handbags, belts, and a varied range of novelties and incidental wearing or personal apparel.

Wearing Apparel.—Continued short supply of ladies' silk hosiery, underwear, ready-made dresses, hats, shoes, ties, collars, and shirts is certain to lead to a considerably expanded demand for all goods of this type. The total market for these lines is comparatively small but is due for considerable expansion.

PRICE CEILING ON FOODS IMPORTED INTO THE UNITED STATES

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

A new method by which United States importers of certain manufactured foods will, on and after September 11, determine their maximum prices is provided by the Office of Price Administration under Maximum Import Price Regulation, Order 38. The term "manufactured foods" comprises those that are ready for consumption, as distinguished from those requiring further processing.

Prior to the coming into force of the new regulation, importers' maximum prices were frozen as of the levels of March, 1942, under the General Maximum Price Regulation or subsequent orders which did not set dollar-and-cent prices. However, importing wholesalers or retailers who purchased goods for their own account could price under fixed mark-up regulations. It was recognized that in many cases this imposed undue hardship on the importer or broker.

Importers' Prices

While the new order does not apply to foods already subject to specific dollar-and-cent ceilings, it is intended, generally speaking, to roll forward the importer's prices on other items, but not his mark-up, from 1942 to 1943.

The chief provisions of Order No. 38 are:

1. Affected food importers are limited to a mark-up no greater than their dollar-and-cent mark-up of March, 1942.

2. The landed cost that will be recognized for pricing purposes may include a foreign supplier's price, in United States dollars, no higher than the supplier charged during April, 1943.

It is expected that United States importers of certain Canadian food products will benefit by this change in the basis of pricing.

Total Permitted Landed Cost

The importer may include the following items in computing the permitted costs on which his mark-up is to apply: (a) price paid to foreign supplier as mentioned above; (b) transportation charges to port of entry; (c) import duties; (d) war risk insurance premiums; (e) warehouse charges in the United States, not to exceed sixty days; (f) repackaging costs, not to exceed material and labour costs during March, 1942; (g) a reasonable commission to a purchasing agent outside the United States.

Distributors Other Than Importers

Distributors of imported foods that they do not themselves import will in most cases determine their prices under either fixed mark-up regulations or the specific price regulations which have applied to them in the past.

Foods Imported for Processing

Food materials requiring further processing after importation have been

subject to the Maximum Import Price Regulation* for over a year. The new order applies to these as well as to other foods but makes only the following changes in the importer's pricing method:

1. April, 1943, is substituted for the 30 days prior to August 20, 1943, as to the cut-off date limiting increases in foreign cost which are recognized for pricing purposes.
2. The importer is limited to his March, 1942, *dollar-and-cent* mark-up. Formerly he had the alternative of taking 75 per cent of his March, 1942, *percentage* mark-up.

Exception of High Cost Purchases

To avoid hardship to importers, resulting from existing stocks or definite

* See report "United States Maximum Import Price Regulation Revised", published in *Commercial Intelligence Journal* No. 2097 (April 8, 1944).

commitments to purchase foods priced at a higher figure than may be included in the total permitted landed cost, approval may be obtained to deliver these items at prices previously permitted.

Pricing of New Items

If an importer did not deliver the same imported food item to the same class of buyer during March, 1942, or if his foreign supplier did not have a price for such an article during April, 1943, he must apply to the Office of Price Administration for approval of a maximum price.

Buying Agent's Commission

Any commission paid to a broker or agent in the United States by a purchaser buying from an importer shall be considered part of the price and when added to the amount paid to the importer may not exceed the importer's ceiling price.

FOREIGN TRADE OF CEYLON IN 1943

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

Trade by Commodity Groups

Only the most scanty data are available regarding Ceylon's foreign trade during the calendar year 1943. It appears, however, that there was a very substantial increase in imports as compared with previous years, while exports reached a record high level. The favourable trade balance fell off considerably owing to the marked appreciation in import values.

Details of imports, domestic exports, and the trade balance for the years 1938 to 1943 are shown in the following table:—

As between the years 1942 and 1943 there was an increase in the value of imports of food, drink, and tobacco from Rs.157,541,000 to Rs.205,645,000. Imports of raw materials showed a large increase, from Rs.39,315,000 to Rs.62,568,000, while the largest actual expansion in values was for fully manufactured goods, the respective values for the two years being Rs.72,458,000 and Rs.145,905,000.

The limited expansion in exports resulted from an improvement in the

Foreign Trade of Ceylon

	Imports	Exports*	Total Trade	Balance of Trade
	Figures in Thousands of Rupees			
1938	235,529	263,535	499,064	+ 49,294
1939	242,370	328,106	570,476	+ 85,736
1940	280,100	388,495	668,595	+ 108,395
1941	283,448	393,841	677,289	+ 136,604
1942	269,545	507,230	776,775	+ 256,852
1943	414,458	537,640	952,098	+ 147,000

* Domestic.

value of shipments of food, drink, and tobacco from Rs.271,883,000 to Rs.292,043,000 and an increase for raw materials from Rs.234,436,000 to Rs.244,861,000.

Trade by Countries

With no statistics of Ceylon's recent trade by countries of origin and destination, it is impossible to comment in any detail. Imports from India have probably declined to some extent, while it is likely that substantial increases have been recorded for imports of United Kingdom, Australian, United States, South African, and Canadian origin. Exports are not likely to have undergone as wide fluctuations and have probably shown a fairly close resemblance to those of the previous year.

Canadian Trade with Ceylon

Canadian trade with Ceylon during 1943 was noteworthy for the abnormally high values of the colony's imports of Canadian products. Whereas before the war the value of Ceylon's imports from Canada averaged some Rs.750,000 per year, recent monthly records have been far in excess of this figure and have on occasion exceeded Rs.6,000,000. As in the case of Canadian exports to India, a large proportion of the goods involved was made up of service equipment and supplies for navy, army, and air force personnel.

No details are available of Ceylon's exports to Canada, but it is assumed that, as usual, they have comprised mainly tea, coconut products, rubber, and coir manufactures.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT AND FLOUR SITUATION

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, has cabled regarding the wheat and flour situation as follows:

Australian wheat stocks at September 1 totalled 122 million bushels. The rate of export of flour and wheat remains unchanged. The Treasury estimates that 32 million bushels will be required for stock food and the recently announced Commonwealth budget provides £800,000 to meet the difference between the price of wheat as stock food and the average wheat price.

The weather has been very poor for wheat and drought conditions obtain in Victoria, southern New South Wales and parts of South Australia. Crop conditions are excellent in Queensland and northern New South Wales, fair in Western Australia, and patchy in South Australia.

The Commonwealth crop estimate of 66 million bushels is the lowest for

twenty-five years and compares with 109 million for 1943-44 and an average of 178 million for the ten years ending 1940. It should be borne in mind that the average pre-war acreage was 13 million as compared with the present 8½ million acres.

Crop forecasts for each state are: Queensland, 6 million bushels compared with a pre-war average of 4 million; New South Wales, 25 million compared with 60 million; South Australia, 13 million compared with 36 million; Western Australia, 15 million compared with 36 million bushels.

Wheat sold for flour for local consumption costs 69 cents per bushel plus 22 cents sales tax; for breakfast food manufacture, 69 cents with no sales tax; for stock food, 60 cents plus subsidy of 9 cents per bushel; for power alcohol, 69 cents. Wheat for export to Mexico sold for \$1.08 per bushel and to Peru for \$1.22 per bushel.

At the request of growers, the Minister of Commerce is studying methods of continuing wheat stabilization plans into the postwar years.

New Zealand

TIMBER PRODUCTION

From 328 mills engaged in the production of rough sawn timber during 1942-43, the output totalled 331,478,346 board feet, an increase of 2 per cent over the figure for the previous year (324,473,600 board feet). Of the various species of timber milled, rimu accounted for the largest production, totalling in 1942-43, 197,165,000 board feet, or 59.5 per cent of the total cut. Pinus insignis was next with 59,371,000 board feet (17.9 per cent), followed by Kahikatea with 24,334,210 board feet (7.3 per cent). With the exception of Kahikatea, which decreased by 5,400,000 board feet, increases over the 1941-42 figures were recorded for all the main species of timber produced.

As a basis for comparison the following table gives the value of timber produced during each of the five years 1938-39 to 1942-43, together with the average value per 100 board feet:—

	Total Value £	Average per 100 Bd. Ft. s. d.
1938-39	2,935,105	18 6
1939-40	3,198,552	19 0
1940-41	3,289,332	19 3
1941-42	3,254,340	20 1
1942-43	3,482,133	21 0

MANUFACTURE OF CANVAS SHOES

According to a statement by the managing director of the Marathon Rubber Footwear Limited (the one manufacturer of rubber footwear in New Zealand) only sufficient rubber to produce 150,000 pairs of rubber-soled canvas shoes has been allocated to New Zealand for 1944. This statement was in explanation of the situation to wholesalers and retailers, who are in great need of supplies.

The Marathon Rubber Footwear Limited is at present working at 25 per cent of normal capacity. Of the 150,000 pairs of shoes now in the process of being turned out, requirements

for the armed forces total 40,000 pairs. Unless, therefore, further allocations of rubber are made to this country, civilian population will have to get along with 60,000 to 80,000 pairs. Imports are not permitted on any appreciable scale.

South Africa

PRODUCTION OF ARMOURED CARS

From July, 1940, to April, 1944, South Africa produced 5,746 armoured cars, the Union press reports. Of this number, 1,180 were ordered by the United Kingdom Government. Union-built cars have also been exported to India, East and West Africa, Iraq, Malaya and the Dutch East Indies.

United Kingdom

HOUSING PLANS

In Glasgow, which has a shortage of about 100,000 houses or more, there were put on exhibition in August two of the many experimental houses intended for the immediate post-war push in house-building, writes G. B. Johnson, Canadian Trade Commissioner in Glasgow. One is the Portal steel house, a government proposition; the other is described as a foam-concrete house, with which Glasgow Corporation Housing Department have been experimenting. The latter has been built, in the form of a block of four dwellings.

The Housing Committee of Glasgow Corporation are believed to favour the concrete house, because it will be in the nature of permanent construction, whereas the steel house cannot be regarded as other than temporary. It will also be more substantial looking and have a better appearance. The one disadvantage it will have in competition with the Portal house is that it cannot be supplied so quickly. Rapid mass-production methods for this type are urged.

The Government proposes to make the sum of £150,000,000 available to the Minister of Works and Buildings for the manufacture and erection of temporary houses to be provided by October 1, 1947. It is estimated that this should cover the cost of approximately 250,000 temporary houses, which represents a cost of about £600 each. The number of permanent new houses needed is estimated at 3,000,000, including 500,000 for Scotland alone, to be finished in ten years, or earlier if possible.

These temporary houses will be supplied to local authorities to supplement their provision of permanent houses when the need is greatest in the years immediately following the war. Local authorities will provide sites with the necessary roads and services.

The Ministry of Works, acting on behalf of the Ministry of Health (for England and Wales), and the Department of Health for Scotland, will arrange for the manufacture of the temporary houses and also for their transport to and erection on the sites provided. The temporary houses will then pass under the control of the local authorities. They will select the tenants, fix and receive rents, and be responsible for the management and repair of the houses.

Government financing of the scheme is on the basis that the average life of these temporary houses will be ten years. The money borrowed by the Ministry of Works will be repaid by annuities spread over ten years and bearing interest of $2\frac{1}{2}$ per cent. Local authorities will make an annual payment to the two Health Departments in respect of each temporary house provided as long as the house remains. The ultimate cost of the scheme to the British Treasury will be the difference between the annuities and the sums paid by the local authorities, the latter to be the subject of later consultation.

Many thousands of these temporary houses may be of wood prefabricated in Canada. Negotiations to this end have been in progress for over two

years as the result of an inquiry at this office from the Secretary of State for Scotland, who has jurisdiction over the Department of Health. Canadian interests will have to ensure, however, that approved plans and manufacturing facilities are ready when orders are about to be placed.

United States

PRODUCTION OF PULP FROM SUGAR CANE

Sugar interests in the United States are making strong representations to the War Production Board and to Congress for the adoption of a pulp manufacturing process utilizing sugar-cane bagasse, the residue of cane sugar pressed at raw sugar mills, writes L. H. Ausman, Assistant Trade Commissioner at New York. Proponents of the scheme point out that this would conserve and stretch rather than replace raw material supplies currently used in paper production.

Bagasse pulp, according to tests, is most suitable for paper manufacture when blended with wood pulp, waste paper, straw or other fibrous materials. Once it is blended the pulp is reported to lend itself to the production of kraft wrapping paper, bags, nine-point cardboard, corrugated boxboard and other forms of container board.

Yields.—Engineer's tests and pilot plant results indicate that thirty tons of sugar-cane bagasse is capable of yielding four and one-half tons of pulp comparable in quality to kraft pulp. This is based on a representative average conversion factor of 100 tons of cane sugar providing 300 tons of bagasse, 50 per cent wet, which would yield 45 tons of pulp.

Costs.—Costs of production are said to vary, depending on the process of pulping. According to one survey bagasse can be obtained at a 100-ton per day pulping mill for \$4.75 to \$5.67 per ton of dry fibre. This can be made into pulp ready for paper or paperboard manufacture for from \$16.65 to \$18.15 per ton of pulp.

Available Supplies.—It is estimated that the 1943-44 cane sugar crop of 5,331,000 tons for the United States, Cuba and Puerto Rico would assure an adequate supply of bagasse. For the time being, however, only a small proportion could be used for pulp manufacture because of existing limitations on the availability of equipment and plant.

Equipment.—It is claimed that the use of bagasse would make it possible to assemble presently idle equipment in sugar-mill districts and to ship the pulp from there to paper mills. This would have the following advantages:

(a) Shipping space and transportation costs would be less as bagasse is bulky and pulp condensed.

(b) As bagasse is a mill waste, manpower used in cutting and collecting pulpwood or other fibrous material would be saved. It is pointed out that raw sugar mills operate only three to four months in each year and the idle manpower during the remainder of the year could be employed at the pulp mills.

It is estimated that the cost of setting up a mill to operate on a 100-ton daily basis would range between \$1,300,000 and \$1,500,000.

TRADE REGULATIONS AND TARIFF CHANGES

Chile

ALL SHIPMENTS REQUIRE CERTIFICATES OF ORIGIN

With reference to the notice in *Commercial Intelligence Journal* No. 2112 (July 22, 1944), page 76, regarding documentation of shipments to Chile, Mr. Carlos Errázuriz, Consul General of Chile in Montreal, writes that *all* products shipped from Canada to Chile

require certificates of origin legalized by the Consul General of Chile. These are necessary not only for payment of customs duties but also in connection with payment of other dues levied on imports and with the obtaining of foreign exchange to pay for the goods. Forms for the certificate of origin may be obtained at the Consulate General of Chile, 1410 Stanley St., Montreal, P.Q.

CANADA YEAR BOOK 1943-44

The 1943-44 edition of the Canada Year Book, published by authorization of the Honourable James A. MacKinnon, M.P., Minister of Trade and Commerce, has been announced by the Dominion Bureau of Statistics. On grounds of wartime economy, the Year Book was not published in 1943 and the present volume has therefore been planned to cover developments over a two-year period, perhaps more important from the standpoint of the changes in our internal economy than any other like period in the Dominion's history.

The Canada Year Book is the official statistical annual of the country and contains a thoroughly up-to-date account of the natural resources of the

Dominion and their development, its institutions, its demography, the different branches of production, trade, transportation, finance, education, etc.—in brief, a comprehensive study within the limits of a single volume of the social and economic conditions of Canada.

The war has now cut deeply into the national economic structure and the statistics of many chapters of the present edition reflect the extent to which war production and wartime controls have served to maintain output and support the price structure. Among the special war articles included are: The War and Canadian Agriculture; The Influence of the War on the Pulp and Paper Industry; The

Effects of the War on the Canadian Fisheries; The Influence of the War on Manufacturing; Wartime Controls Affecting Distribution and Trade; The Wartime Control of Transportation; and The Activities of the Wartime Prices and Trade Board in Controlling Prices, Rents and Supplies.

Developments in the all-important field of public finance are also given careful review in this edition, the subject of national income receiving new

and extended treatment and outstanding measures and changes in taxation being discussed. Two new chapters deal with welfare services and post-war reconstruction and the rehabilitation of ex-service personnel.

The cloth-bound edition of the Canada Year Book is held for sale by the King's Printer, Ottawa, at \$2 a copy. Remittance should be made by money order, postal note or accepted cheque payable to the Receiver General of Canada.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 25, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, September 25, 1944, and for the week ending Monday, September 18, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 18	Nominal Quotations in Montreal Week ending Sept. 25	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies . Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2756	.2759	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6022	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

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Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

French North Africa

YVES LAMONTAGNE, Economic Adviser, Office of the Representative of Canada to the French Committee of National Liberation, 48 boul. Saint-Saens, Algiers, French North Africa. Address for letters (at domestic rates)—Canadian Mission, Algiers, c/o D.P.S., Ottawa. *Cable address, Stadacona.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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BOOKING OF CARGO TO SOUTH AMERICAN COUNTRIES

In *Commercial Intelligence Journal* No. 2117 (August 26, 1944), it was announced that no freight-space applications would be required for shipments to Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico (by sea), Nicaragua and Panama, except in the case of newsprint, and that for shipments to all other Latin American countries, excepting Argentina, applications would only be required for quantities of 10,000 pounds or more, except in the case of newsprint.

The Shipping Priorities Committee now announces that as from October 15 freight-space applications (Form E.1) will not be required for ship-

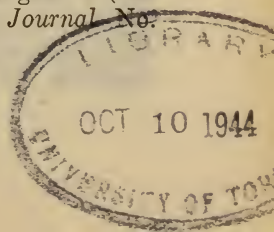
ments to: Bolivia, Chile, Colombia, Ecuador, Peru, Venezuela.

Effective November 1, freight-space applications (Form E.1) will not be required for shipments to: Brazil, Paraguay, Uruguay.

On and after the above dates exporters may arrange freight-space bookings directly with the steamship companies for all shipments, except newsprint.

With regard to Argentina, exporters shall continue to submit freight-space applications (Form E.1) for all shipments of 2,240 pounds or more.

Procedure with regard to O.D.T. permits remains unchanged. (See *Commercial Intelligence Journal* No. 2117: page 166).



CANADIAN EXPORT COMMODITIES AND INDUSTRIES

6. SEEDS

By R. E. JOHNSON, *Agricultural Branch, Dominion Bureau of Statistics*

In order to deal adequately with the various seed crops exported from Canada, their production is classified under the following headings: seed potatoes; vegetable and field root seed; and hay and pasture seed.

Seed potatoes are not "seed" in the ordinary sense of the word, but are included in this article as they represent the common method of reproducing potatoes. They are, as well, the largest single item classified under the heading of "Seeds" in the Trade of Canada, and therefore merit some discussion. Vegetable and field root seeds include that wide range of seeds that are planted to produce food for humans as well as live stock. Cabbage, beets, celery, lettuce, etc. are all examples of vegetables, while turnips, mangels and sugar beets come under the general heading of field roots. Hay and pasture crops are frequently referred to as forage crops, and include alfalfa, the clovers and grasses.

Seed Potatoes

The history of seed-potato certification is the history of seed-potato production in Canada. The growing of potatoes specially for seed is a development of the past thirty years and is the outcome of an effort on the part of the United States Government to prevent the spread of powdery scab to that country.

UNITED STATES EMBARGO IN 1914

In 1914 the United States, which was one of the chief markets for our potatoes, placed an embargo on potatoes from all countries to prevent the importation of this disease. This meant that many growers in the United States were cut off from the Canadian supplies of their seed. At the same time the embargo caused considerable hardship for Canadian growers who

had organized their activities with the export market in view.

Under a special arrangement between the two countries, the United States authorities agreed to allow shipments to enter from Canada as long as no powdery scab was found. To ensure that clean potatoes were sent forward, the Division of Botany at Ottawa undertook to inspect the potatoes to be shipped from the Maritime Provinces.

EARLY INSPECTION OF MARITIME CROPS

Sometime later powdery scab was discovered in the United States and the embargo was lifted. In the interval, however, the improvement in the quality of the seed brought about by the careful inspection, necessary to meet the United States regulations, had increased the popularity of the Maritime potatoes. The advisability of expanding the volume available for seed as rapidly as possible and yet maintaining or improving the quality at the same time was recognized by the Federal authorities.

As a first step in bringing this about, field surveys were organized to determine the quality of the existing seed stock. It was found that almost all fields visited in the Maritimes were affected by disease in varying degrees. Leaf roll, Mosaic and other virus diseases, which soon reduced yields to such an extent that the continued use of affected potatoes for seed becomes unprofitable, were very common. It was found, also, that few of the existing fields were of one variety.

IMPROVEMENT PROGRAM

The first step in the improvement program was to select the best fields and these were made the source of the foundation stock from which better seed was to be grown. Potatoes grown

from this seed and found on inspection to meet the requirements were certified. The requirements for certification were set very low, judging by present-day standards. This was done to ensure that a sufficiently large volume of seed would be available for increasing the acreage of this improved seed as rapidly as possible. A tolerance of 12 per cent of virus diseases and a 5 per cent mixture of varieties was permitted.

In the course of the years that followed, the method used by the inspection staff gradually improved the quality of the crop and the regulations were stiffened in accordance with the improvement shown. At the present time, the standard permits a tolerance of only 3 per cent of all diseases combined and does not allow any varietal mixture.

At the outset only potatoes grown in the Maritime Provinces were covered by the inspection service. In 1919, however, Ontario and Quebec were included in the inspected area and in the following year the service was extended to the rest of Canada.

GROWTH OF EXPORTS

Until the year 1920 the sale of seed had been confined to the Maritime Provinces where the acreage was rapidly increasing. In that year a large volume was available for domestic trade and, in addition, approximately 56,000 bushels were exported. The demand was so great that by 1924 shipments of certified seed totalled 334,484 bushels. Since then the trend in shipments has been generally upwards, although there has been wide fluctuation from year to year. Since 1937, with one exception, shipments each year have been in excess of 2,000,000 bushels and reached an all-time high of 2,903,909 bushels in 1939.

EXPORT MARKETS

As already stated, the largest export market is in the United States and, until quite recently, the Maritime

Provinces have been the chief suppliers. The greatest demand is for Irish Cobblers and Green Mountains, although Bliss Triumph has also been quite popular. Within the past few years a brisk trade has developed along the west coast of the United States where Netted Gem and White Rose from British Columbia are in demand.

Cuba has also been a large buyer of Canadian potatoes. Some years ago exports to that country were interrupted because the Cuban authorities felt that efforts should be made to raise their own supplies and thus be independent of foreign sources. It was found, however, that Cuban seed had deteriorated to such an extent after a short time that it was useless and it was necessary to again turn to Canada for annual seed supplies. The variety most popular with Cuban growers is Bliss Triumph.

An attempt to establish an outlet in the Argentine was made in the year 1928-29, when a large number of sample shipments were made by the Dominion Government. Little immediate success was achieved as the Argentine was itself an exporter of seed potatoes. In 1935-36, however, a crop failure in the Argentine necessitated the purchase of a large volume of both seed and table stock, and in that year Canada shipped sizeable quantities. Exports to the Argentine reached their peak in 1937 when over a million bushels were shipped. While this trade was not maintained at the 1937 level, a considerable volume moved during the next three years. With the outbreak of war, exports dwindled until in 1942 the movement stopped altogether.

Uruguay has also been a fairly large importer of Canadian seed. Buyers from this country prefer a rather recent introduction known as Katahdin. Venezuela, on the other hand, prefers Bliss Triumph. A fairly active trade has now been established with many countries of the Western Hemisphere, but this trade has been somewhat

interrupted by the shipping difficulties brought about by the war. A trade of moderate volume was established with South Africa before the war but here again lack of shipping space has cut off exports in recent years.

Until 1926 potatoes were shipped in some volume to the United Kingdom. This trade was stopped, however, when the British authorities placed an embargo on the importation of potatoes from certain countries, including Canada, to prevent the introduction of the Colorado potato beetle to that country. The subject of re-establishing this trade was discussed at the Imperial Economic Conference at Ottawa in 1932, but the United Kingdom officials refused to relax the regulations.

Attempts have been made to expand exports further afield and trial shipments have gone to Palestine, China, Honolulu, Java, and Egypt. Up to the present, no permanent trade with these countries has been established.

FACTORS IN EXTENSION OF MARKETS

The limiting factor in the expansion of the certified seed potato industry is now not one of supply but of markets. A study of production statistics indicates that every year considerably more potatoes are certified than are sold for seed either in Canada or on the export market. It would seem likely that, with the cessation of hostilities in Europe, there would be an active demand for a considerable volume of good seed to build up European supplies as rapidly as possible. This market, however, may be of a temporary nature and would exist only as long as the European countries are unable to supply their own needs.

Garden Vegetable and Field Root Seeds

The garden vegetable and field root seed industry has had a phenomenal growth during the past five years, which is directly attributable to the present world conflict. Prior to 1939 a few growers, chiefly located in British

Columbia, had been struggling to develop an interest in Canadian-grown seed, but with indifferent results.

PRE-WAR CONDITIONS

Going back over the history of the industry, we find that for more than twenty-five years it had been known that soil and climatic conditions in British Columbia were admirably suited to the production of a large variety of vegetable seeds. Encouragement had been given to a few enterprising growers by the Provincial and Federal authorities, who recognized the desirability of having seed especially adapted to Canadian conditions.

For quite a number of years the experimental farms and agricultural colleges throughout the Dominion had been developing special strains of certified vegetable and field root seeds that were particularly suited to Canada. This "elite" seed was distributed to growers who in turn produced "certified" and "registered" seed from it. It was generally felt that more progress could be made in a highly competitive business by offering seed that was certified pure as to type and of guaranteed germination, than by attempting to compete with the commercial grades of seed that could be grown more cheaply in other countries.

WARTIME PRODUCTION PROGRAM

At the outbreak of war the Canadian authorities agreed to supply the United Kingdom with certain kinds of seed that normally were purchased on the European Continent. The Federal Government, in conjunction with the Provincial Governments, undertook to put into operation a program designed to produce this seed as expeditiously as possible. Growers who signified their desire to cooperate were provided with "elite" stock seed, from which they were to produce certified seed with the understanding that their output would be made available to the Dominion, which in turn would deliver to the United Kingdom.

There was an immediate response right across Canada and growers in all provinces signified their desire to participate. It was natural, with the advantages of soil and climate, that British Columbia growers should be in the vanguard. Some conception of the rapidity of the increase in the number of growers during the early years of the war will be gained when it is noted that in 1938 there were only 16 growers in British Columbia, while by 1941 the number had risen to 200. This is particularly surprising when the very specialized nature of this business is considered.

OVERSEAS SHIPMENTS

Annual exports have increased very rapidly since the inception of this program. During the last crop year 3,009,438 pounds were shipped out of the country. The greatest volume of seed naturally went to the United Kingdom, but sizeable shipments were also made to the U.S.S.R., and smaller lots moved to such widely separated places as Guatemala, Newfoundland, Iraq and Mexico.

POST-WAR POSSIBILITIES

It is difficult to foresee the future of the export trade once European growers again get into production. It is hoped, however, that at least some part of this trade will continue after the war. It would seem reasonable to expect that the improved crops resulting from the use of this seed might produce a continued demand from the British growers at least. Price will play an important part in determining the source from which the British buy seed and if Canada can sell at levels comparable to those of other countries, the bonus of quality might divert the trade in Canada's direction.

Hay and Pasture Seeds

The earliest reference to the quantity of clover and grass seed produced in Canada is to be found in the Census

records for the year 1851. No mention of kinds was made, but the total quantity produced in Upper Canada (Ontario) was 39,029 bushels and in Lower Canada (Quebec), 18,873 bushels. In 1861 the records were more complete, and in that year production was shown as follows: Upper Canada, 61,820 bushels; Lower Canada, 33,954 bushels; New Brunswick, 7,660 bushels; and Nova Scotia, 9,882 bushels.

SHIFT IN PRODUCING AREA

Until the 1930's Eastern Canada produced the bulk of the seed. A gradual shift westward in the producing area began in the 1920's and since 1937 the greatest quantities have been harvested in the Western Provinces. The shift of the sweet clover and alfalfa acreage from Ontario to the Prairie Provinces was partly responsible, but the increasing popularity in the West of brome grass and crested wheat grass, which now make up a large portion of the total production, has been a contributing factor.

CLASSIFICATIONS

Exports of hay and pasture seeds were made as early as 1868, although hay and pasture seeds were lumped together with all other kinds of seed in the early records. It was not until 1889 that the classification "clover seed" was made in the trade statistics. Grass seed, however, was thrown into this classification, so that exports actually were clover and grass seed combined.

During the year 1895 exports of these seeds were shown separately in the trade records. In that year, 141,124 bushels of clover seed and 23,544 bushels of grass seed moved out of the country. Other classifications have been added from time to time until at the present exports are shown under the following headings: alfalfa, alsike clover, red clover, sweet clover, brome grass and crested wheat grass. There are two further classifications: "other clover" and "other grass seed".

EXPORT MARKETS

Our chief customers are the United States and the United Kingdom, although small shipments have been made as well to several other countries. It is interesting to note that some markets will take seed that do not meet Canadian grade regulations and, therefore, cannot be sold in Canada. This seed would mean a loss to the grower if an export market could not be found. An example of this is the acceptance by the United Kingdom of alsike clover with trifoil in it.

VOLUME AVAILABLE FOR EXPORT

Production of a great many of these seeds is influenced to a considerable extent by the abundance of hay. In years of short hay crops the acreage left for seed is much smaller than in years when plentiful supplies are avail-

able. This means that there are wide fluctuations in the quantities of seed exported from year to year, and no trend in this trade is apparent.

Under wartime conditions a further factor has been the control of exports exercised by the Special Products Board. This Board regulates the kinds and quantities of seed that may be exported so that a sufficient volume will be retained for Canadian requirements. At present Canadian alfalfa and clover seed supplies are limited and exports of these seeds are, therefore, under close regulation.

With the freeing of Europe it is to be expected that there will be a demand for Canadian seed, but with the exception of timothy, brome grass, crested wheat grass and sweet clover, which are normally produced in excess of domestic requirements, little or none will be available for export to Europe.

NEW ZEALAND FINANCES

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

Two announcements made by the Minister of Finance, the Honourable W. Nash, on August 3, are of interest in respect of New Zealand finances for the current year: the budget for 1944-45 and the recent agreement with the United Kingdom.

Budget for 1944-45

New Zealand's fifth war budget, for the year 1944-45, is noteworthy in that there is no provision for an increase in taxation, war expenditure is reduced, and family benefits are increased.

Total expenditure under all heads during the current year is estimated at £213,857,000. The items are: war expenses account, £133,000,000; consolidated account, £51,500,000; social security, £18,857,000; and national development, £10,500,000.

Income exceeded expenditure during the year 1943-44, resulting in a net surplus of £1,469,821 for the war, consolidated, and social security accounts together. The war and social security

accounts showed deficits of £621,097 and £141,662 respectively, while a surplus of £2,232,580 was recorded in the consolidated fund.

War Expenses.—As compared with expenditure of £152,900,000 under the war expenses account for the last fiscal year, the estimate for 1944-45 is £133,000,000—some £20,000,000 less. This compares with £148,000,000 budgeted for last year, £152,300,000 received in revenue, and £152,900,000 expended. The explanation of this year's reduced estimate lies largely in the improved war situation immediately affecting New Zealand.

Expenditure under the account is to include £57,000,000 for the army, £35,500,000 for the air force, £7,500,000 for the navy, and £24,000,000 under reverse lend-lease. Except for an increase to the air force, mainly for equipment and stores, all these items show a decrease from actual expenditure during 1943-44.

Particulars of estimated expenses and revenue under the account, with figures of 1943-44 expenditures, are given below:—

for the year 1943-44 of £2,232,580. Following the precedent of the past five years, this surplus is to be transferred to the war expenses account. It

Expenditure—	Estimated 1944-45	Actual 1943-44
Navy	£ 7,500,000	£ 8,200,000
Army	57,000,000	78,100,000
Air	35,500,000	38,800,000
Civil	7,000,000	7,800,000
Rehabilitation	2,000,000	500,000
Reverse lend-lease	24,000,000	24,500,000
Total	£133,000,000	£152,900,000
Revenue—		
War taxation	£ 45,500,000	£ 45,400,000
Consolidated fund	6,200,000	11,700,000
Security agreement	9,300,000	6,700,000
Lend-lease	25,000,000	32,500,000
Miscellaneous . . . . .	.....	200,000
Internal loans . . . . .	.....	55,800,000
Total	£ 86,000,000	£152,300,000

The estimated deficit in revenue of £47,000,000 for the current year is to be met by a victory loan of £40,000,000 and departmental loans to the sum of £7,000,000.

Under the heading of rehabilitation, the estimated expenditure of £2,000,000 compares with £500,000 spent last year. The increase is required to meet the needs of men who are being rehabilitated to civilian life on release from the armed forces.

Consolidated Fund.—As previously mentioned, this fund showed a surplus

is the result of reduction in expenditure as well as underestimated revenue. During the year ended March 31, underestimated receipts enabled transfers totalling £11,700,000 to be made to the war account.

For the current year expenditure and revenue are estimated to balance at £51,500,000—nearly £10,000,000 more than was budgeted for in June, 1943, and mainly the result of more buoyant income tax returns.

A summary of the estimated revenue under this account follows:—

Revenue—		
Customs tax	£ 7,600,000	
Beer duty	2,000,000	
Sales tax	3,900,000	
Film hire	130,000	
Highways	1,671,000	
Stamp duty	1,750,000	
Land tax	988,000	
Income tax	24,000,000	
Miscellaneous	95,000	
Total		£42,134,000
Interest recoveries from trading activities, etc.	5,766,000	
Other receipts	3,600,000	
		9,366,000
Grand total		£51,500,000
Expenditure—		
Permanent appropriations—		
Debt services	£21,413,000	
Other special Acts, including transfer of £4,000,000 to war expenses account . . .	6,120,000	
		£27,533,000
Annual appropriations—		
Social services	£15,815,000	
Other votes	7,849,000	
		23,664,000
Total		£51,197,000
Supplementary estimates and contingencies		303,000
Grand total		£51,500,000

The principal increases in expenditure are for health, education, war pensions, and transfers to social security fund.

Social Security.—From a cash balance remaining in the fund on March 31, an estimated deficit of £1,223,000 for 1944-45 will be met. Expenditure is expected to total £18,857,000, and revenue to reach £17,875,000. Expenditure in 1943-44 was £17,634,000. To bolster revenue in the current year, a transfer from the consolidated fund will again be required; this will amount to £4,500,000 as against £4,100,000 last year. A summary of the fund is as follows:—

Expenditure—	
Monetary benefits.	£13,337,000
Hospital, etc., benefits	4,853,000
Administrative expenses	543,000
Emergency benefits.	124,000
Total	£18,857,000
Revenue—	
Social security charge	£12,800,000
Registration fee and miscellaneous	575,000
Transfer from consolidated fund	4,875,000
Total	£17,875,000

By an amendment to the social security legislation, New Zealanders who served in the South African war in units other than with the New Zealand contingent will be able to obtain the special concession payable to age beneficiaries in terms of the present legislation.

The increased family benefits referred to in the opening paragraph are applicable under the Social Security fund. As from October 1 next, allowable income in relation to family benefits will be increased from the present rate of £5 5s. a week to £5 10s., and at the same time the benefit of 7s. 6d. a week for each child will be raised to 10s. The Government proposes in due course to introduce legislation with a view to providing a guaranteed minimum family income.

National Development.—The £10,500,000 to be spent under the heading of national development compares with £6,000,000 spent on public works

during 1943-44. The principal increases are in respect of housing, for which £3,500,000 will be required as against £2,092,000 last year. The appropriation for hydro-electric power development is to be increased from £1,600,000 to £3,200,000 to cover expenses in connection with New Zealand's program of increased electric power development. The whole amount is to be raised by loan from departmental sources.

Towards the solution of the housing problem during 1943-44 a total of 43,000 sites for houses were purchased, to bring the number to 40,000 sections to date for this purpose.

War Loans.—The Government's intention to finance all accounts for the current year without any increase in taxation requires, as previously mentioned, the floating of a war loan of £40,000,000. According to the estimates laid down, total loan requirements come to £47,000,000, but £7,000,000 of this amount is to be drawn from departmental funds available for investment. The amount of £40,000,000 represents a substantial reduction as compared with last year's loans of £55,000,000.

The victory loan of £40,000,000 will be open for subscription on August 28. The returns from the issue will be similar to those of previous loans, namely, 2½ per cent on short-term stock maturing February 15, 1949-50, and 3 per cent on longer-dated stock maturing February 15, 1955-58. Part of the loan will be made up from investments in national savings bonds, which are available in denominations of £1, £10, and £100, returning £1 2s. 9d., £11 7s. 6d., and £113 15s. respectively five years from date of issue.

It is noteworthy that during 1943-44 the amount of £43,900,000 was raised by public loan in New Zealand. This sum included £10,800,000 from national savings.

National Debt.—New Zealand's national debt on March 31, 1944, stood

at £(N.Z.) 566,494,000. This represents an increase of £63,100,000 over the figure as of the same date last year. The total debt is now shown in New Zealand currency, which has added a substantial sum to cover exchange.

According to the Minister of Finance, the only increase in the overseas debt during the past fiscal year was in respect of aid received under the Memorandum of Security, whereby Great Britain agreed to finance the cost of maintaining the New Zealand division in the Middle East. Under this Memorandum the gross amount borrowed was £11,732,000. A substantial sum, however, has been repaid off this account and, together with reduction of public loans and repatriated debt, the net increase during the past year in New Zealand's overseas debt came to just over £1,000,000.

It will be noted in the war expenses account that the money to be received under the Memorandum of Security during the current financial year is £9,300,000. The balance owing by New Zealand to the United Kingdom Government under the agreement was £(N.Z.) 16,732,000 on March 31 last. The total borrowings, including sums for the Empire air training scheme to that date, were £48,816,000, and repayments were £32,084,000, leaving the balance as above.

Examination of the estimates reveals that the victory loan does not represent the New Zealand Government's total borrowings for the current year. Under war expenses, Great Britain will lend £9,200,000 as against £6,700,000 under the Memorandum of Security aid, and the State departments will lend £7,000,000 as against £10,600,000 last year. Receipts under lend-lease are estimated at £25,000,000 (£32,500,000). This last item will be almost balanced by reverse lend-lease at £24,000,000. In addition, the civil budget calls for a loan of £10,500,000 for national development.

Of the total expenditure for the current year of £213,235,000, about 47 per cent is to be paid in taxes which are

expected to produce £101,000,000. This amount is estimated to work out at about £63 for every man, woman and child in New Zealand. Thus the average payment of taxes by the head of a family of four will be £252. At the present rate of exchange this is equal to \$907.20 Canadian.

Total civil expenditure comes to £80,375,000, including £18,875,000 for social security. The sum to be spent on social security is £1,000,000 over the figure for last year and comes at a time when the whole country is in full employment.

Lend-Lease.—Receipts during 1944-45 under lend-lease are estimated at £25,000,000, a considerable portion of which is to cover the supply of aeroplanes and related items. The balance is to be made up by army supplies and supplies for essential services. By this arrangement New Zealand received last year goods and services valued, for accounting purposes, at £32,500,000. This amount included £1,700,000 for the navy, £7,500,000 for the army, £12,800,000 for the air force, and £10,500,000 for civilian purposes directly related to the war. In return New Zealand provided goods and services costing £24,500,000.

Reciprocal aid to the United States this year will be more in the nature of foodstuffs and certain war supplies in increasing quantities, limited only by the Dominion's productive capacity. Previously it covered such items as buildings, camps, and ships, as well as goods and services, in addition to foodstuffs, but as the scene of warfare has moved northward and the necessity for the Americans maintaining large bases locally has been reduced, aid to the United States is now confined largely to foodstuffs.

Agreement between the United Kingdom and New Zealand

In the recent agreement signed by the Governments of the United Kingdom and New Zealand, the former recognizes the difficulties with which the primary producers of New Zealand

have had to contend for some years as a result of the abnormal increase in prices of imports and the comparatively steady level of export prices as of 1939.

Under the terms of the agreement Britain is to pay a lump sum of £12,000,000 sterling, £4,000,000 per year for a period of four years to cover the disparity in prices that has obtained since 1939, £4,500,000 representing increases in prices for produce received during the twelve months to July 1, 1944, and £6,000,000 to cover price increases during the next two years. The terms also provide for the suspension of payments under the Memorandum of Security Agreement up to an amount of £18,000,000 sterling until after the war, when the question of payment is to be reconsidered.

Examining the agreement further, the terms fall into two parts. One provides for the payment by the United Kingdom of a total of £28,000,000 sterling to compensate, as previously

mentioned, for the abnormal increase in prices of imports from Britain since 1939. The second part provides for the payment of an extra 26s. 2d. sterling per cwt. for butter, and 12s. 3d. for cheese in respect of exports from April, 1943, to the end of July, 1944, the compensation amounting to £4,500,000 sterling.

In the new four-year contract the agreement provides that for the first two years the return will be based on butter at 150s. 6d. per cwt. and cheese at 89s. per cwt.; the compensation in this case will total £6,000,000. For the third and fourth years the prices are to be reviewed in the light of existing cost factors. Discussions regarding the increased price for meat are still going on with the United Kingdom Government.

The disposal of the moneys that will accrue as a result of these increases in prices for exports is still at issue between the New Zealand Government and the farming interests.

PRODUCTION OF FISH IN THE UNITED STATES

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

The United States Department of Commerce reports in a recent issue of *Domestic Commerce* that the pre-war per capita consumption of fish in this country amounted to 13.3 pounds as compared with 29 pounds in Canada. The areas surrounding the coasts, however, consumed considerably larger quantities, and for 1943 the per capita figure in those areas was about 32 pounds, while the consumption for the entire country was only 8.9 pounds.

Production

The reason for the decline in consumption, despite increased interest and demand, is apparent from the figures of production. According to the Fish and Wildlife Service, the catch fell from the all-time high in 1941 of 5,142,000,000 pounds to 3,716,000,000 pounds in 1942. The return of some of the 600 vessels requisitioned by the Government and concentration

on the more productive fisheries resulted last year in an estimated catch of 4,048,294,000 pounds.

The cost of fish, as well as its production, has been affected by the war, as increased demand resulted in prices advancing to much higher levels. In 1943, when price ceilings were placed on many fishery products, the estimated value of the catch was \$182,668,000 as compared with \$98,957,000 in 1939.

Principal Species

Commercial fishermen take about 160 species of fish from the lakes, rivers and off-shore areas of the United States, but only about 25 are taken in any great quantity.

The three principal species, in order of volume of production, are pilchards, menhaden and salmon. The catches of these three account for more than half the entire production of the United

States and Alaska. In value, however, salmon ranks first and is the most important food fish. Pilchards are canned as California sardines and also used for meal and oil, while practically all the menhaden becomes meal and oil.

For canning purposes the most important fish are salmon, sardines, tuna, and mackerel. Chief among the fresh fish and seafood supplies are haddock, salmon, rosefish, cod, flounder, whiting, shrimp, and oysters.

HAY CROP AND MARKET CONDITIONS IN THE UNITED STATES

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

The United States Department of Agriculture reported on September 1 that the hay crop is good and will be supplemented by a large crop of sorghum forage. However, in relation to the volume of live stock the hay supply will be just about average. There will be some local shortages in areas, principally in the East, affected by the drought.

A crop of nearly 98 million tons of both tame and wild hay is forecast for the current year. This is slightly higher than the indicated production on August 1 but 1.8 million tons less than the final 1943 crop. Taking into account the farm carryover from last year, the total supply is likely to amount to 108 million tons. This is 5 million tons less than last year, but 12 million tons more than the ten-year (1933-42) average supply.

The current production estimate is as follows:

	Sept. 1, 1944 Estimate Tons	Final 1943 Crop Tons	Average 1933-42 Tons
All tame hay	83,833,000	87,264,000	75,320,000
Wild hay	13,876,000	12,279,000	9,788,000
Clover and timothy*	28,146,000	29,238,000	23,759,000
Alfalfa†	31,775,000	32,465,000	27,765,000

* Included in "All tame hay"; excludes sweet clover and lespedeza.

† Included in "All tame hay".

The clover and timothy hay was mostly made from first cuttings. Dry weather in some of the Eastern States greatly reduced yields of second cuttings. In dry areas some of the alfalfa fields are being pastured and others are expected to yield light late cuttings.

Acreage

The total area planted to hay this year was 74,331,000 acres, slightly less

than in 1943 but above the ten-year average of 68,978,000 acres. Of this total, 60,427,000 acres were in tame hay and 13,904,000 acres in wild hay.

Pastures

Wide variations in the condition of farm pastures in different parts of the United States were apparent on September 1. For the country as a whole the condition of pasturage averaged 70 per cent of normal as compared with 73 per cent a year ago and a recent ten-year average of 42 per cent. On September 1 the areas of shortest pasture feed were in and around northern Indiana, south-central Pennsylvania, New Jersey, and southern New England.

Imports

There appears to be a considerable demand for Canadian hay in New Eng-

Sept. 1, 1944 Estimate Tons	Final 1943 Crop Tons	Average 1933-42 Tons
83,833,000	87,264,000	75,320,000
13,876,000	12,279,000	9,788,000
28,146,000	29,238,000	23,759,000
31,775,000	32,465,000	27,765,000

land and New Jersey, but supplies from New York State are expected to be adequate when fall farm work is at an end. One of the principal factors in the situation seems to be the shortage of labour to bale the hay.

Average Farmers' Prices

The United States Department of Agriculture lists for June 15, 1944, the

following average prices received by farmers for loose hay:

	All Hay Per Ton	Alfalfa Per Ton
Maine.	\$15.00	\$20.50
New Hampshire	15.40	20.40
Vermont.	13.50	19.00
Massachusetts.	22.00	28.00
Rhode Island	22.50	27.50
Connecticut.	23.20	27.50
<hr/>		
New England	\$16.80	\$24.30
New York	13.50	18.80
New Jersey.	23.60	26.50
Pennsylvania	17.10	23.30
<hr/>		
Middle Atlantic. . .	\$15.10	\$20.90

Market Prices

Prices to buyers of good dairy hay in New England have ranged around \$30 to \$31 per ton. Timothy and light clover mixed would be about \$2 per ton lower. Current quotations in New York are: \$31 for No. 1 grade, \$29 to \$30 for No. 2, and \$27 to \$28 for No. 3. Imported hay prices to be competitive would, of course, include duty and transportation costs.

INDIAN MARKET SURVEY

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

IV. Miscellaneous Market Information

Following is a series of brief notes on other features of the local market that are of particular interest to export firms and on various aspects of export practice as applied to local conditions.

Tariffs

The Indian customs tariff is designed for both protective and revenue purposes. It provides for the imposition of duties on most articles imported into the country. In general the rates are on an ad valorem basis, while in some cases values for assessment are stipulated and the duty is calculated on these bases rather than on invoice figures. The tariff is of the two-column type, basic rates being termed "standard", while preferential rates apply in a number of instances (1) to goods of United Kingdom origin, (2) to goods imported from British colonies, and (3) to goods imported from Burma.

Details regarding current rates of duty on specific commodities are obtainable on request from the Department of Trade and Commerce, Ottawa, while copies of the tariff schedule may be obtained from the Manager of Publications, Delhi, on prepayment of a charge of 6 annas (approximately 12 cents).

Trade Agreements

India's tariff policy, so far as it involves the exchange of preferences with other countries, has limited the conclusion of trade agreements to those with the United Kingdom, including certain preferences for British colonies, and Burma.

The agreement with the United Kingdom was drastically revised in 1939 and, whereas the former arrangement provided for a considerable number of substantial preferences, both the number of instances and in some cases the extent of the preference were considerably reduced. Preferences available to the colonies apply mainly to fruits and other tropical products imported from Ceylon and other adjacent areas. The agreement with Burma, which came into force following the political separation of the two countries in 1937, affords many substantial advantages to imports from that country.

No trade agreements have been made with other countries, all of which are covered by the general tariff schedule.

Import and Exchange Controls

Exporters will be aware of the general incidence of import and exchange

controls enforced by the Indian Government since the early days of the war. Canadian dollars can only be exported under special permit, as in the case of urgent personal requirements or in payment for authorized purchases of Canadian goods. Import control measures have prohibited the purchase of a wide range of Canadian products and have limited imports of essential articles to fixed quantities or values.

It is impossible to estimate how long these control measures will remain in force. There have been several instances of relaxation in favour of local industries requiring raw materials or equipment and in the interest of the general demand for some consumer goods which are not obtainable from other sources, but apparently these measures are likely to remain in force, substantially in their present form, for a considerable time.

Currency and Exchange

The Indian rupee is at present tied to sterling at a fraction less than 1 to 6. In normal times it fluctuates to some extent in sympathy with silver prices, the volume of sterling or other resources, and the country's general economic position.

The exchange problem involved in trade between Canada and India presents few difficulties. Quotations to local importers should be in Canadian dollars. Conversely Canadian purchasers of Indian goods will pay for their imports in rupees, which are readily procurable from their bankers. Sales or purchases may be settled in sterling in London. Such transactions can always be completed with a minimum of difficulty.

Banking Facilities

There are several British and a few Indian banks in the principal cities in India which are competent to deal in foreign exchange and to finance import and export trade. Most of these banks have well established connec-

tions with banks in Canada, with which they generally correspond directly. In some instances, however, transactions are routed through London or New York.

Canadian exporters are advised, when quoting prices and selling terms, to stipulate that payment be made through a particular branch of their own bank in Canada. Indication to their local buyers or agents of that bank's Indian correspondents will be of value in facilitating such procedure.

Shipping Services

The general pre-war situation with regard to Canada-India shipping services was that there were several direct lines operating from Canadian and United States east coast ports, while shipments from the Pacific coast were routed via Hongkong or Java ports for transshipment to local destinations.

In some instances shipments from the Atlantic coast have been made via the United Kingdom. This route has been adopted in the case of some refrigerator cargoes, but it is slower and more expensive than direct sailings. There have been several alternative services available from the Pacific coast also, but these have been used in rare instances only.

These services carrying Canadian shipments to India have been less efficient than those available for most of Canada's exports to principal world markets, and their irregularity or infrequency, the necessity for transshipment, the limitation of ports of call of the original or on-carrying service, and freight charges (in comparison with those for carrying similar goods from other countries) have at times militated greatly against the maintenance or expansion of sales to this market. It seems possible, however, that in the post-war years there may be a marked improvement in the position, with regular services available from both coasts for the direct shipment of Canadian products to all main Indian ports.

Parcel-post Shipments

The parcel-post service which is normally available between Canada and India is invaluable for the despatch of samples, literature, and advertising material. It can be conveniently used as well for the regular shipment of goods of small bulk and high value. The cost of such service is reasonable, and its regularity and speed commend its regular use to a considerable number of export firms.

The shipment of goods or samples by air has to date been adopted in comparatively few instances. Rates are sufficiently high, so that this routing is used only in rare cases of unusual urgency.

Communication Services

Before the war the principal means of communication between Canada and India were the sea and air-mail services via the United Kingdom and the Pacific and the cable and wireless routes. No through telephone service had been established. Sea-mail services via the United Kingdom were frequent and regular, transit time, on the average, being some four weeks. The Pacific service was considerably slower. Air mails reduced transit time considerably, and the service was both frequent and economical. Cable and wireless facilities were available at all times.

Disruption of regular shipping services, the cancellation of wireless services for commercial use, and the irregular operation of air-mail routes have led to considerable depreciation of the pre-war situation. Sea mails are now from two to five months in transit; air mails may arrive in as short a time as two weeks but, on the other hand, may take three times as long; and the cable system is correspondingly slower than under normal circumstances. The only improvement in conditions, and a most valuable one, has been the development of the air-graph system, which in the case of straightforward correspondence is

economical and speedy, transit time averaging from two to four weeks.

It is a characteristic failing of exporters that inadequate attention is paid to the addressing, superscription, and affixing of adequate postage on mail for India. Such inattention to a comparatively small matter has frequently led to loss of confidence on the part of local firms in the ability or interest of their Canadian connections, and all individuals or companies who are interested in shipping to this territory are urged to make certain that any such faults are permanently corrected.

Representation

The question of representation is one which demands the closest investigation and continual review by all Canadian firms who are seriously interested in the Indian market.

Some of the factors which dictate this situation include (1) a vast area and a marked lack of cohesion between the chief commercial communities, (2) a tendency on the part of importers and agents to concentrate on some parts of the market and to neglect others, (3) the necessity of selecting and maintaining close contact with active and reputable representatives in preference to unreliable firms, of which there is an unusual number in India, (4) the need, when dealing with a number of agents or buyers in different parts of the market (as is sometimes necessary) of ensuring that they do not infringe on each other's territory. These and other circumstances, combined with a general lack of familiarity with local conditions, will necessitate that all possible attention be given the question of representation in India.

Depending on the particular commodities involved, exporters will decide whether to sell their goods outright to importers, as in the case of the majority of raw materials and of industrial equipment; through agents who will indent on behalf of their clients but may also place orders on their own account; through sales agents in Can-

ada, London, or New York who maintain their own sales organizations in India; through shippers, confirming houses, or others in Canada, London, or New York; or through other channels.

Sales through any of these standard media may be combined with a regular or occasional survey of market conditions by exporters' own representatives from factory or export department, a point referred to elsewhere in this report and to which, in the case of India, Canadian firms have in the past given little attention.

Government Purchasing Agencies

Among the largest purchasing agencies in India are the Indian Stores Department, the provincial, municipal, and state governments, and the quasi-official Canteen Contractors Syndicate. Apart from local government organizations, these are at present completely absorbed into the supply and other Central Government departments, and their purchasing operations are in the hands of supply and similar missions. In normal circumstances, however, the wide range and large volume of business to be secured from such buyers should have the closest attention of the local representatives of Canadian manufacturers.

In the case of the Indian Stores Department, local concerns must be registered as approved suppliers, and the bona fides of their principals accepted. All purchases are then based on tenders and not infrequently are dependent on the ability of tenderers to deliver from local stocks. This department acts as purchasing agent for the Central Government, the state railways and other government enterprises, and various local governments.

The governments of Indian states usually maintain their own purchasing departments or agencies, while the Canteen Contractors Syndicate deals with local importers in some instances but preferably direct with overseas producers of its extensive requirements

of foodstuffs, toilet articles, and various other items for the military forces throughout the country.

Personal Visits to the Market

India has probably received less personal attention from Canadian exporters than any other of Canada's leading markets. This is no doubt due to its comparative inaccessibility and the considerable time and expense involved in a study of local conditions and business opportunities. There is no doubt that greater personal attention to local market openings would have led to an appreciable improvement in the volume and variety of India's purchases of Canadian goods.

It would be of advantage to visit India during the Canadian winter, since the climate is more agreeable from November to March than at other times of the year. Normally one to two months should be sufficient for a reasonably close survey of market conditions and the establishment of contacts with local representatives. Such a trip might be combined with visits to the Far East, the Near or Middle East, Malaya, Australia, or New Zealand. Such an itinerary should preferably be arranged to begin at Calcutta or Bombay not earlier than November 15 and to end by March 15.

Visits of Buyers or Agents

Comparatively few firms in this country, whether of European or Indian ownership or management, have made a regular or occasional practice of sending representatives to Canada to maintain or develop contacts with manufacturers or exporters. There seems every prospect, however, that in the post-war period there will be a considerable increase in the number of such visits, which will coincide to some extent with the arrival in Canada as permanent residents of many individuals and families who have retired from business or professional life in this country.

The opportunity of establishing personal contact in this way with buyers or others in this country will be only less valuable than the experience of seeing local conditions at first hand. Many visitors from India will carry introductions from this office to the Department of Trade and Commerce, Ottawa, the Canadian Manufacturers Association, or others. Manufacturers and others will, it is hoped, take full advantage of such opportunities to develop or extend their sales to this country.

Credit Information

There are no credit agencies in India from whom reliable information regarding the credit standing and operation of local firms can be obtained. The usual source of such details is a bank. Exporters who may be negotiating with a buyer or agent may obtain a general statement on the firm's credit standing through their own Canadian bankers, who will be in touch with one or more correspondents in this country. Similar information will be supplied on request by the Trade Commissioner's office.

Bank reports on local firms are usually brief and sometimes sufficiently non-committal as to be of comparatively little value. As a general policy, therefore, the exporter should exercise reasonable caution in dealing with all firms except those who are given a clear-cut report indicating adequate resources and ability to handle the business involved.

Treatment of Inquiries

Canadian manufacturers and exporters are asked to treat inquiries from firms in India with all possible attention and with every care.

It is fairly common for local firms who are interested in the purchase of Canadian goods to refer to this office before writing directly to Canadian exporters. In such cases their inquiry or order is frequently covered by a separate letter from the Trade Commissioner, with recommendations re-

garding the firm's standing and suggestions as to the policy to be followed in dealings with them. In other instances, of course, this will be unnecessary.

In still further cases, however, Canadian firms should regard inquiries or orders with a certain amount of circumspection and, before answering them, reference should be made to the Department of Trade and Commerce at Ottawa, or to the Trade Commissioner at Bombay, for information regarding the inquiring firm's standing, experience, and desirability as a buying or agency connection. At the same time there is no reason, of course, why such inquiries should not be answered in general terms and copies of the correspondence sent to the Trade Commissioner, with a request for a report on the inquirer's standing. The former alternative is nevertheless recommended.

Quotations and Terms

Exporters will normally supply quotations to Indian buyers in Canadian dollars f.o.b. factory or seaboard but preferably c.i.f. main Indian ports. When it is impossible to quote on a c.i.f. basis, on mixed shipments for example, all possible information should be provided to assist buyers in determining their probable c.i.f. costs.

Decisions regarding terms offered to connections in the Indian market must depend largely on the exporter's knowledge of his buyer's resources and financial standing, established practice in various trades, and possibly on the recommendations of the agent through whom the business has been offered or secured. In general the exporter is advised to stipulate that payment be made by irrevocable letter of credit.

When justified by circumstances, these terms may be relaxed to permit payment against delivery of documents or within a specified time after presentation of drafts. All requests for credit or similar concessions should be given the most careful attention and granted only on the assurance that the

buyer is justified in making such a request and that he is competent to complete payment at due date.

Samples

Canadian firms should, as a general policy, decline to supply samples or any similar material in response to indiscriminate requests received from unknown firms in India. When negotiating with prospective agents who are known to be reputable, however, it is frequently necessary to supply representative samples for examination, testing, and submission to the local trade. When doing so, every care should be taken in selection, packing, and despatch by the fastest and safest route in order to ensure prompt delivery in sound condition.

Exporters should not overlook the advantage of approaching local buyers or agents through the medium of a trial shipment. This means of interesting a new connection and of introducing an unknown product to the market has much to commend it and should be employed whenever possible.

Packing

The successful development of sales of many commodities to India depends to a large extent on the manner in which they are packed. Delivery to local destinations involves such handicaps as a long sea journey and, as a rule, unnecessarily rough handling at ports of transshipment and discharge. There are the added risks of pilferage and, at certain periods in the year, of extreme temperatures and humidity. It is essential, therefore, that goods shipped to this country be in sound inner containers and packed for export in strong and durable outer cases or other covering.

Many exporters will have had sufficient experience in other markets to enable them to cope with the problem of packing for India without undue concern, nevertheless, it is one which may give considerable trouble. Consultation with agents or buyers and a readiness to comply with their requirements will generally be the best means of finding a satisfactory solution for it.

CANADA'S EXTERNAL TRADE IN AUGUST

Canada's external trade in August, excluding gold, was valued at \$416,510,000 as compared with \$430,235,000 in the preceding month and \$444,241,000 in the corresponding month of 1943. The aggregate for the first eight months of the current year was \$3,479,990,000 as against \$3,029,435,000 in the similar period of 1943, an increase of 14.9 per cent.

Domestic merchandise exports were of the value of \$257,021,000 as compared with \$278,713,000 in July and \$292,861,000 in August of last year. The total for the first eight months of this year advanced to \$2,282,002,000 from last year's corresponding total of \$1,874,269,000, or by 21.8 per cent.

Duties collected on imports in August amounted to \$15,954,000 as compared with \$13,278,000 in July and \$16,256,000 in August, 1943. Total

collections for the first eight months of this year were \$119,890,000 as against \$110,054,000 for the corresponding period of last year.

The value of Canada's merchandise imports in August amounted to \$157,324,000 compared with \$149,135,000 in the corresponding month of last year, an advance of 5.5 per cent. The total for the first eight months of the current year was \$1,170,304,000 compared with \$1,139,702,000 in the similar period of last year, an increase of 2.7 per cent.

The United States was the leading source of supply, August imports from that country amounting to \$138,252,000 as compared with \$124,887,000 in August, 1943, and for the first eight months of this year the value was \$971,217,000 as against \$933,287,000 in

the comparable period of last year. Imports from the United Kingdom were valued at \$4,564,000 compared with \$10,893,000 in August, 1943, the eight-month figure standing at \$64,889,000 as against \$90,430,000 a year ago.

August commodity imports from other leading countries were as follows, totals for August, 1943, being shown within parentheses: British India, \$1,156,000 (\$655,000); British Guiana, \$961,000 (\$662,000); Jamaica, \$1,413,000 (\$604,000); Newfoundland, \$1,298,000 (\$829,000); Australia, \$915,000 (\$1,409,000); Argentina, \$842,000 (\$1,089,000); Columbia, \$1,631,000 (\$139,000); Venezuela, \$1,349,000 (\$3,000).

The following were among the principal commodities imported in August, totals for August, 1943, being shown within parentheses: fruits, \$6,403,000 (\$5,109,000); coffee and chicory, \$1,101,000 (\$866,000); raw cotton, \$3,675,000 (\$2,161,000); cotton fabrics, \$3,585,000 (\$2,643,000); rolling-mill products, \$4,943,000 (\$6,510,000);

engines and boilers, \$13,334,000 (\$4,614,000); farm implements, \$4,685,000 (\$2,247,000); machinery, other than agricultural, \$6,598,000 (\$10,243,000); vehicles, \$7,071,000 (\$7,502,000); electrical apparatus, \$4,377,000 (\$4,316,000); coal, \$10,813,000 (\$10,629,000); petroleum products, \$11,180,000 (\$9,583,000); chemicals, \$6,867,000 (\$6,485,000); glass and glassware, \$1,042,000 (\$920,000).

Statistical Summary

A tabular statement showing Canada's exports in August by principal countries and commodities was published in *Commercial Intelligence Journal* No. 2121 (September 23, 1944), page 282. The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic imports (excluding gold) by principal countries and commodities for the month of August and the eight months ended August, 1944, and 1943:

Imports by Principal Countries

	Month of August		Eight Months ended August	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	157,324	149,135	1,170,304	1,139,702
Empire countries	11,242	18,596	136,298	157,014
British East Africa	25	93	685	963
British South Africa	151	288	3,163	1,912
Southern Rhodesia	1	.....	168	873
British West Africa	31	1	2,672	2,255
Bermuda	15	.....	470	1
British India	1,156	655	18,998	10,029
Ceylon	1	10	2,874	5,103
British Guiana	961	662	5,438	4,755
Barbados	502	698	4,965	2,775
Jamaica	1,413	604	8,839	6,100
Trinidad and Tobago	84	8	493	257
Other British West Indies	46	58	823	476
Newfoundland	1,298	829	6,097	4,411
Australia	915	1,409	7,116	5,159
Fiji .....	.....	758	1,686	2,295
New Zealand	6	1,412	5,751	17,859
United Kingdom	4,564	10,893	64,889	90,430
Foreign countries	146,082	130,539	1,034,006	982,688
United States	138,252	124,887	971,217	933,287
Argentina	842	1,089	6,836	7,896
Bolivia .....	.....	.....	9	.....
Brazil	397	418	5,517	2,347
Chile	75	17	403	401
China .....	.....	.....	1	19
Colombia	1,631	139	8,741	1,145
Costa Rica	207	229	893	1,411
Cuba	426	350	3,313	6,451
Ecuador	10	9	274	220
Egypt	36	.....	139	57

Imports by Principal Countries—Con.

	Month of August		Eight Months ended August	
	1944	1943	1944	1943
Foreign countries— <i>Con.</i>	Thousands of Dollars			
Guatemala	64	21	2,637	823
Haiti	265	53	2,023	450
Honduras	112	19	619	111
Mexico	937	964	9,164	8,535
Netherlands West Indies .....	.....	140	508	964
Nicaragua .....	.....	60	1	218
Panama .....	.....	11	4	78
Paraguay	54	47	150	495
Peru .....	.....	135	78	690
Portugal	159	90	919	284
Salvador	167	227	2,230	1,055
San Domingo	8	51	3,004	56
Spain	242	91	1,840	492
Sweden .....	.....	.....	24	2
Switzerland	400	602	3,473	2,463
Puerto Rico	6	.....	47	1
Uruguay .....	.....	77	205	489
Venezuela	1,349	3	7,845	3,985

Imports by Principal Commodities

Total imports	157,324	149,135	1,170,304	1,139,702
Agricultural products	14,806	15,084	147,505	116,881
Fruits	6,403	5,109	41,397	29,965
Nuts	617	392	8,727	1,484
Vegetables	100	190	12,734	11,979
Grains and products	935	487	8,965	6,161
Oils, vegetable	717	1,035	7,402	9,666
Cocoa and chocolate	33	91	3,019	1,945
Coffee and chicory	1,101	866	11,042	5,013
Spices	19	170	638	817
Tea .....	.....	492	8,971	8,074
Alcoholic beverages	359	317	3,274	2,634
Gums and resins	216	234	2,449	2,035
Seeds	16	43	1,139	1,404
Tobacco	97	72	1,023	676
Animal products	1,848	3,022	23,108	25,755
Fishery products	265	292	2,173	1,684
Furs (chiefly raw)	236	496	6,239	5,340
Hides, raw	231	605	3,036	4,984
Leather, unmanufactured	127	270	1,834	2,315
Leather, manufactured	179	241	1,737	2,301
Meats	258	234	1,292	1,921
Fibres and textiles	13,471	13,680	124,198	130,806
Cotton	8,268	5,877	61,132	57,960
Raw, and linters	3,675	2,161	26,553	20,757
Yarn	515	727	4,867	6,867
Fabrics	3,585	2,643	25,960	27,070
Flax, hemp and jute	1,536	803	12,668	9,878
Fabrics, flax and hemp	68	261	880	1,572
Fabrics, of jute	1,071	85	8,381	4,968
Silk	137	93	1,039	953
Fabrics	133	89	1,004	911
Wool	1,005	4,094	23,235	38,747
Raw wool	222	1,529	7,719	18,672
Noils and tops	83	367	3,749	5,525
Yarn	352	410	2,278	2,638
Worsted and serges	138	847	4,411	6,181
Wood and paper	3,626	3,347	27,914	26,836
Wood, unmanufactured	526	473	4,108	3,908
Planks and boards	301	288	1,922	2,016
Wood, manufactured	559	522	4,436	4,043
Paper	1,020	877	7,777	7,048
Books and printed matter	1,521	1,475	11,593	11,837
Iron and products	43,259	40,916	294,789	273,755
Pigs, ingots, blooms and billets	313	441	1,366	9,993
Castings and forgings	414	773	4,596	5,835
Rolling-mill products	4,943	6,510	32,407	46,072
Pipes and tubes	555	812	3,659	5,339
Engines and boilers	13,334	4,614	45,430	25,892

Imports by Principal Commodities—Con.

	Month of August		Eight Months ended August	
	1944	1943	1944	1943
	Thousands of Dollars			
Iron and products— <i>Con.</i>				
Farm implements	4,685	2,247	28,035	12,354
Hardware and cutlery	332	364	2,786	2,688
Machinery (except agricultural)	6,598	10,243	56,801	76,338
Stamped and coated products	130	100	1,061	1,098
Tools	602	1,033	6,112	7,402
Vehicles	7,071	7,502	66,336	42,324
Non-ferrous metals	8,358	10,798	73,459	71,337
Precious metals	78	256	805	1,024
Clocks and watches	409	556	3,564	2,645
Electrical apparatus	4,377	4,316	40,218	27,990
Non-metallic minerals	26,638	25,656	174,522	158,865
Clay products	676	1,217	7,716	9,181
Coal	10,813	10,629	73,152	61,112
Coke	919	978	6,549	7,146
Glass and glassware	1,042	920	8,510	7,202
Petroleum products	11,180	9,583	63,738	58,651
Stone and products	1,055	1,051	6,940	6,953
Chemicals	6,867	6,485	55,243	46,954
Acids	291	346	2,102	3,014
Cellulose products	368	416	3,222	3,186
Drugs and medicines	656	781	4,954	4,940
Dyeing and tanning materials	705	859	4,724	5,162
Fertilizers	399	319	2,982	2,278
Paints and varnishes	576	503	4,957	4,117
Inorganic chemicals	1,109	1,239	8,315	8,409
Soda and compounds	252	315	3,166	3,055
*Miscellaneous commodities	38,451	30,146	249,566	288,513
Amusement and sporting goods	193	125	1,237	668
Personal and household equipment	463	322	3,201	2,700
Refrigerators and parts	7	16	77	98
Musical instruments	45	32	317	342
Scientific equipment	583	834	5,684	6,168
Vehicles, n.o.p. (except iron)	6,895	5,695	44,914	34,345

* Includes certain military stores.

TRADE REGULATIONS AND TARIFF CHANGES**Canada****EXPORT PERMIT REGULATIONS AMENDED**

By Export Permit Branch Order No. 100, effective September 29, 1944, Group 2 of the Schedule of Commodities is amended with respect to live sheep and lambs, which are exempted from export permit requirements when shipped to parts of the British Empire or to the United States.

Australia**IMPORT LICENSING REGULATIONS
RELAXED**

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date August 16, 1944, that on August 15, the Minister for Trade and Customs announced a number of relaxations (with effect from July 1, 1944) in the Australian Customs (Import Licensing) Regulations, and stated that these

amendments could be regarded as a first instalment, although any further easing of controls would depend largely on the war situation.

These relaxations cover various goods and articles that were formerly either prohibited entry or under Administrative Control. Goods of non-sterling origin for which licences will now be issued freely include replacement parts for the following: printing, paper-making, tanning, leather-working, woodworking and sawmilling machinery; machine tools; engines other than automotive; air-conditioning and refrigeration equipment; umbrella ribs; brassieres; bamboo; and cane.

Smoking pipes, essential oils, naphthalene, and bronzing and metal powders (other than aluminium) will now be permitted importation up to 100 per cent of the value of imports during the base year ended June 30, 1939, and wallpapers and fountain

pens have been given a 50 per cent quota.

Relaxations covering goods of sterling origin are as follows:

Exempted from licensing: circuit breakers, lightning arresters, electrical relays and parts, cartridge fuses and holders, ironclad fuses, Zed fuse cartridges, potters' glaze, glass for photographic plates, glass scientific apparatus classifiable under Tariff Item 246, thermometers, naphthalene, liquid hydro-cyanic acid gas, hydro-sulphites, hair-waving compounds and sachets, naphthenate driers for paints, circular

wire brushes and refills, packings for air-conditioning and refrigeration machinery, hand sewing-needles, cotton tape-measures and brassieres.

Subject to 100 per cent quota, based on value of 1941-42 imports: barium carbonate, zinc chlorides, essential oils.

Subject to 50 per cent quota: flooring and wall tiles, sanitary and lavatory earthenware, military band and orchestral instruments, musical instruments n.e.i.

Subject to 25 per cent quota: carpets, carpeting, linoleum, floor coverings, etc., coir mats and matting.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 2, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 2, 1944, and for the week ending Monday, September 25, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 25	Nominal Quotations in Montreal Week ending Oct. 2	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies... Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2759	.2746	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6022	.6016	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to September 2, 1944:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Sept. 2, 1944	
				Quantity	Per Cent
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼c. per gal.	3,786	....
Cream	Gal.	1,500,000 per calendar year	56½ to 28¼oc. per gal.	667	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	18,210,658 per calendar year	2½ to 1½c. per lb.	17,553,857†	96.3
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1943	75 to 37½c. per 100 lb.	1,072,747	71.5
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1943	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	982,205	98.2
Red cedar shingles	Sq.	2,153,984		979,669	45.4
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1943	50 to 35% ad val.	40,270†	40.2
Tails	Piece	5,000 beginning Dec. 1, 1943	50 to 35% ad val.	198	3.9

*The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

†Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries, and for the period May 1 to September 2, 1944, imports totalled 13,683. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

‡This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas		Imports May 29 to Sept. 2, 1944	
	Wheat Bu.	Wheat Flour and other Products Lb.	Wheat Bu.	Wheat Flour and other Products Lb.
Canada	795,000	3,815,000	795,000	22,914
Other countries	5,000	185,000	Nil	Nil

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

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Cuba

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Mexico

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Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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NATIONAL INCOME OF JAMAICA IN 1942

By F. W. FRASER, *Canadian Trade Commissioner at Kingston*

The report on the national income of Jamaica in 1942, issued in Barbados some months ago by the West Indies Department of Development and Welfare, is a document of exceptional interest.

So far as is known it is the first of its kind in respect of any British colony, and its findings are a useful guide to the capacity of the Jamaican market, because they indicate the purchasing power of the Jamaican people. The report is among the fruits of the labours of this Department, which was established on the advice of the West India Royal Commission of 1938-39. It is also a useful supplement to the data that is being provided by the census of Jamaica, the cost of which, like that of the National Income survey, is met by the British Government.

The lack of precise information on important economic matters relating to Jamaica, and indeed to all the other

British West Indies, has often in late years been deplored, notably by Sir Frank Stockdale, Comptroller of the Department of Development and Welfare in the West Indies, in his preliminary report (1941) relating to Jamaica. Much has since been done to remove the ground for this reproach, and the National Income survey is a notable contribution towards that end. First the census, and now the national income report are serious attempts to draw a socio-economic map of Jamaica as a guide to the planned economy that is being instituted.

Estimate of Total Income

The survey is the work of Dr. Fred-
eric Benham, Ph.D., B.Sc., Economic
Adviser to the Comptroller of the De-
partment of Development and Wel-
fare in the West Indies. He arrives at
a total of £31·7 million as the net value
of all goods and services produced

in the Colony for local consumption and for export during that period. To this is added £1.6 million representing net income received from abroad, giving a total national income of £33.3 million. Otherwise considered, this figure is the net total of all incomes received by persons and institutions in Jamaica. "It includes all wages and salaries, profits, interest and rents and the value of produce not sold but consumed by growers and their families. It covers expenditure on personal consumption of all kinds and (via taxation) on government services, and it covers also new construction, etc. It equals the net value of all production within the country plus net income received from abroad."

Method of Computation

The total of £31.7 million is arrived at by methods ordinarily used by economists and statisticians, and it includes government and all other services besides goods. The value of local products used in subsequent processes is reckoned once only. "For example, many coconuts are made into copra and the copra in turn is used to make edible oil, soap, margarine and lard. If the full value of these products, and of the copra, were included, the coconuts would be counted three times and the copra twice."

Not included in the total of £31.7 million are excise duties and the value of repairs, replacements and renewals to buildings, machinery and other durable assets. Imported materials, fuel, containers, etc. are disregarded in assessing the value of local production, but the value of those materials is included in imports of all kinds. As regards services, this example is given to illustrate the method followed: "a doctor earns £1,000 a year and pays his gardeners £100—£1,100 of National Income. He also pays £100 taxes, which is spent on such public services as police and education—£1,200 National Income". Government expenditure for interest on the national debt, pensions and poor relief is, however, excluded.

Chief Items in Estimate

Divided into its several headings, the national income of Jamaica for 1942 is given hereunder:—

National Income of Jamaica

Exports	£ 4,148,000
Foodstuffs grown and consumed in the Colony	10,488,000
Goods manufactured and consumed in the Colony	3,432,000
Services rendered by Government	2,300,000
Other services	7,630,000
Rental value of all houses	3,800,000
New construction	250,000
	<hr/>
	£32,048,000
Less repairs, replacements and renewals	350,000
	<hr/>
	£31,698,000
Plus income received from other countries	1,600,000
	<hr/>
	£33,298,000

EXPORTS

The round figure for exports shown in the foregoing table is arrived at by taking the total of £3,840,989, as published in the official trade returns, adding £557,000, the estimated value of 1.4 million gallons of rum sold abroad but not shipped, and deducting (a) £200,000 for imported containers used in the export trade and (b) £50,000 for petroleum and other fuel used by the sugar and other industries in producing goods for export.

Foodstuffs for Domestic Consumption

Foodstuffs for local consumption comprise agricultural and animal products, needing in most cases no processing or manufacturing before being consumed—e.g. fruit, vegetables, root crops, fresh meat, fresh milk, eggs, honey and "wet" sugar (i.e. crude muscovado), this last-named item being a peasant product. The three largest items of the list are "ground provisions", which include yams, sweet and Irish potatoes, eddoes, breadfruit, pumpkins and cassava, and of which an estimated quantity of 450,000 short tons, worth £6,000,000 retail, was consumed in 1942; pulses (dried peas and beans), which are set down as 20,000 short tons, of £1,000,000 retail value;

and other vegetables (cabbages, carrots, chocoos, escallion, okras, onions, peppers, string beans, spinach, turnips and tomatoes) to the extent of 50,000 short tons, representing a retail trade of £1,300,000.

The average weekly consumption, in Kingston and its suburbs, of all these articles is estimated at 375 short tons. Other considerable items of foodstuffs locally consumed were: fresh meat (mainly beef and pork) and poultry, aggregating 13,025 tons of a total retail value of £940,000; fruit (13,000,000 stems of bananas, 10,000 short tons of citrus, and 30,000 short tons of other fruit) worth £625,000; fresh milk consumed as such, 11,000,000 quarts valued at £265,000; fresh fish, 2,000 short tons worth £135,000; and wet sugar, 7,000 long tons valued at £120,000.

Manufactured Goods

The gross total for goods manufactured and consumed in the Colony is £6,271,000, from which are deducted £2,252,000, being the estimated cost of materials, and £587,000 of excise duties, leaving a net total of £3,432,000. These deductions are made to avoid double counting.

The chief items of local manufactures in descending order of retail value are: bread and confectionery, £1,200,000; cigarettes and cigars, 342 million of the former and 2.1 million of the latter (£800,000); rum, 598,812 proof gallons (£629,000); refined sugar, 16,750 long tons, (£412,000); edible oil, 1,000,000 gallons (£284,000); engineering products, which include small ships, £250,000; electricity, 27.5 million kilowatt hours (£230,000); shirts, 60,000 dozen (£220,000); job printing (£200,000); charcoal and firewood for domestic use (£195,000); water, £150,000; aerated waters and fruit juices, 680,000 gallons (£136,000); condensed milk, 1,690 short tons (£130,000); furniture, £120,000; cornmeal, 7,000 short tons (£115,000); ice, 67,000 long tons (£112,000); laundry soap, 3,872 long tons (£108,000). Other items of less

value: biscuits, 1,350 short tons (£94,000); beer, 311,388 gallons (£93,000); knitted goods, 54,000 dozen (£91,000); butter, 400 short tons (£80,000); footwear, £80,000; margarine, 819 long tons (£80,000); matches, 165,000 gross boxes (£74,000); lumber, 3,400,000 feet (£61,000); lard compound, 622 long tons (£58,000); cottage industries (120,000 straw hats and the same number of baskets, 30,000 bags)—in all, £55,000; periodicals, 11,000,000 copies (£50,000). Minor items of domestic output were bricks, tiles and lime, cassava starch, canoes, coir, containers, cosmetics and perfumes, fishpots, gas, jams, mixed peel, sauces, canned fruits, medicines and drugs, rope, twine, and sisal.

These analyses of local production of foodstuffs and of manufactured and semi-manufactured goods give some indication of the value of the Jamaican market to exporters in other countries.

Government Services

The fourth item of the table of the national income is services rendered by the Government, totalling £2,300,000. The largest sub-division of this total is the cost of defence, police and justice, £750,000, followed by general administration, including the collection of taxes, £540,000; medical services, £400,000; primary education, £390,000; and agriculture and forestry, £220,000. These figures and those of the total are net and represent the actual value of the services stated.

Total government expenditure was slightly over £4 million, but all transfer payments are omitted, and some government expenditure is included in other headings; for example, expenditure on new construction, which is in the heading so-called; that on postal, telegraph and telephone facilities is in "communications", which is a sub-head of "Other Services" (see below), and the output of the Government Printing Office is treated as job printing in "Goods Manufactured and Consumed in the Colony" (see above).

Other Services

"Other Services" is a comprehensive and interesting category, totalling £7,630,000. The largest item is £2,000,000, for distribution of imports, representing the services performed by wholesalers, retailers, transport agencies and others, such as co-operative societies.

Next is domestic service, £1,350,000, which is an estimate of the wages paid domestic servants, including gardeners and children's nurses but excluding servants in hotels and boarding-houses. The wages of these latter are included in the total for "hotels, boarding-houses, restaurants, etc.", mentioned below.

Passenger transport represents a total of £1,250,000—the government railway, the tramway, motor-buses and taxis, also the running expenses of private cars. Hotels, boarding-houses and restaurants account for £750,000, excluding drinks and the market value of food sold.

Professional services are assessed at £500,000 (legal, £225,000; medical, £150,000; dental, £75,000, and other—accounting, architectural, religious, etc.—£50,000). Shoe repairing is estimated at £500,000, and tailoring and dressmaking at the same figure.

Communications (post, inland telegraph and telephone, cable and radio) are set down at £200,000; and financial services (rendered by banks, insurance companies, building societies, etc.) at the same sum, which also covers salaries of staffs, office rent and profits. Entertainments (motion pictures, races, etc.) contributed £130,000 to the total, and secondary education, laundry and dry cleaning, hairdressing and beauty parlours and other personal services (undertaking, repair work done by carpenters, etc.) accounted together for the balance of £250,000.

Rental Value of Houses

The rental value of all houses totalled £3,800,000, of which £1,800,000 was for 60,000 houses in Kingston and

the adjacent parish of St. Andrew, at an annual average of £30 each, and £2,000,000 for 200,000 houses in the rest of the Island, or £10 a year each. These estimates follow the finding of the 1943 census, that about one-fifth of the Island's total population of 1,237,000 live in those two parishes and about one-sixth in their urban and suburban districts. (See report on Census of Jamaica published in *Commercial Intelligence Journal* No. 2062: August 7, 1943).

New construction includes houses built by private parties and by public authorities, development expenditure on land settlement, land reclamation, roads and bridges, and provision of water supplies. The gross total is £300,000, from which is deducted £50,000 for cost of materials, etc., leaving a net figure of £250,000.

The grand total of these seven categories is £32,048,000, from which is deducted £350,000 for repairs, replacements and renewals, these having been included in one or other of those categories. For example, much of the local output of engineering products, which is an item of "Goods Manufactured and Consumed in the Colony" consisted of replacements of machinery and parts for local factories, etc.; a fair proportion of local lumber, which also is an item of that category, was used for repairs to buildings; and many kinds of imported goods were for repairs or replacements of some kind and must therefore be deducted, because the value of the import trade is virtually comprised in the gross total, although not shown as such. The people of Jamaica bought their imports out of the money they made from production, and the gross total of production is the gross total of the national income.

Extra Receipts

As Dr. Benham observed towards the close of his report, "the total of £31·7 million is the net total of all goods and services produced in Jamaica in 1942. If imports equalled exports in value,

and there were no net receipts to be added or net payments to be deducted on account of overseas transactions, this would be the National Income. Imports could be regarded as being substituted for exports of the same value." Actually, there were both receipts to be added and payments to be deducted, and on balance there remains a total of £1,600,000 under receipts.

This is an approximate estimate, as accurate figures for some of the items of the account—notably for profits and rents earned in Jamaica and sent to shareholders or landlords elsewhere, payments for insurance and other services made to parties in other countries, subscriptions to British War Loans, etc.—are not available. Among receipts were the banana subsidy (£800,000) made by the British Government, and other subsidies and grants (£200,000) from the same source; income from investments in other countries, £128,000 (this is the 1941 figure, that for 1942 having been unavailable when the report was written); and payments, mainly by the United States authorities, to Jamaican labourers employed at their Defence Bases in the Colony (£250,000). There were also relatively small remittances made by Jamaican workers in Panama and elsewhere to their relatives at home.

The addition of the net extra receipts (£1,600,000) to the total for local production yields a round figure of £33.3 million as the national income of Jamaica in 1942, equivalent to £26, or 10s. per week, per head of population.

Factors in Comparative Lowness of Income

The Jamaican figure is much lower than the British or Canadian, but in respect of such comparisons it must be observed that taxation in the United Kingdom and Canada absorbed in 1942 from 30 to 40 per cent of the

national income of those countries as compared with about 10 per cent for Jamaica. Since 1942, however, the Jamaican percentage has appreciably increased, due to the enactment of extra taxation.

It must also be remembered in this respect that there are in Jamaica proportionately more children than in Britain or Canada; further, that most locally produced foodstuffs are normally cheap and plentiful, and that, by reason of the warm climate of Jamaica, less need be spent here for fuel and clothing than in a northern country. Again, as Dr. Benham remarked, "the average Jamaican values his leisure and enjoys considerably more leisure than the average Britisher"; nevertheless, "the standard of living of the poorer classes is low."

Categories and Uses of National Income

Following are breakdowns of (a) the categories of income of which the national income is comprised; and (b) the purposes for which the national income was spent:—

Categories of National Income

	£ Million
Profits, interest, etc.	5.0
Rental value of houses	3.8
Rental of leased land	0.5
Professional incomes	0.4
Salaries, wages, and incomes of small settlers	23.6
	<hr/> 33.3

How the National Income was Spent

Food and drink	£16,000,000
Hotels, boarding-houses, etc.	750,000
Tobacco	800,000
Clothing, etc.	3,500,000
Shoe repairs	500,000
House rents	3,800,600
Household goods (fuel, soap, crockery, etc.)	1,000,000
Domestic service	1,350,000
Passenger transport	1,250,000
Direct taxation	1,200,000
All other	3,150,000
	<hr/> £33,300,000

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

7. DAIRYING AND DAIRY PRODUCTS

By P. H. FERGUSON, *Agricultural Branch, Dominion Bureau of Statistics*

The use of milk as an article of diet dates back to the dawn of civilization. Many references are made to milk in the New Testament, and it appears that both goats and cows provided this important food product. Early writings also refer to the use of milk by the Egyptians, Greeks and Romans. Even before the Christian era ladies of the court found milk of value in preserving their complexions, although it is only in recent years that milk has been widely used in manufacturing. This development followed the invention of drying processes, whereby the solids from milk are used for this purpose after the fat has been removed.

Dairy Cattle

In giving consideration to the origin of dairying, it is necessary to deal briefly with the dairy cow, which has been developed through centuries of selection and breeding. Very little is known about the cows referred to in the early scriptural writings, and it would appear that those reared by the Egyptians were bred for draft purposes as well as for milk production. Oxen, of course, are still used for farm work in many of the older countries of the world, and have been employed to no small extent in the frontier settlements of Canada and the United States.

Brittany and the Low Countries of Europe have provided foundation stock for many of the dairy breeds. Those of British origin can be traced back to the wild white cattle of early Britain. The line of descent is a little obscure, but it is evident that a kinship exists. On the Hamilton estate near Glasgow, well known since the flight of Hess from Germany, a small herd of wild white cattle have been kept for many years. These animals are small, about the size of Jerseys, definitely white in colour, and have ferocious characteristics, which offer little opportunity for a close acquaintanceship.

BREEDS IN CANADA

Among the dairy breeds that have become established in Canada, the following are mentioned in order of their numerical importance: the Holstein-Friesian, of Dutch origin; the Shorthorn, one of the leading British breeds; the Ayrshire, bred in the hilly lands of southern Scotland; the Jersey, whose original home is in the Channel Islands; the French-Canadian; and finally the Guernsey, which like the Jersey, originated in the Channel Islands.

In the case of the Shorthorn, it is difficult to differentiate between cattle of dual-purpose breeding and those bred mainly for beef production. The former represents a very small proportion of the total, but the breed as a whole has contributed very largely to the dairy foundation stock of both Europe and America. Even the Aberdeen-Angus and Hereford breeds (though less suitable for milk production) have been used to some extent, and certainly added both size and substance to the dairy cattle population in this country.

INTRODUCTION OF DAIRY CATTLE INTO CANADA

The introduction of cattle into Canada followed closely in the path of immigration from France and Great Britain. Jacques Cartier brought a few cows with him on his third voyage. Champlain, in addition to providing brides for settlers, imported milk cows from France in 1610. It is an interesting fact that a dairy farm enterprise located a short distance below Quebec City, now operated as a semi-public undertaking, was established at the time the first herds were imported from France.

In Acadia, cattle were introduced in 1632. Actually cows were imported in 1606 but these were destroyed soon after by English raiders. When the Acadians were finally expelled in 1755

it was estimated that there were 1,500 cows in the Minas Basin. The fertile lands of the Valley attracted immigrants from New England and they brought with them several herds of cows. In 1783-85 the United Empire Loyalists brought large numbers of milch cows into the country.

The French-Canadian cow, which is a registered dual-purpose breed, can be traced to the cattle imported into Quebec from Normandy and Brittany about 1660-65. Huntingdon County in Quebec and Oxford County in Western Ontario received English and Scottish immigrants, as well as United Empire Loyalist settlers, who helped to lay the foundation of productive dairy enterprises in Canada.

In Western Canada the Hudson's Bay Company made some attempt in the early part of the nineteenth century to bring in cattle first from England, and later from the United States. Many of them, however, had to be killed to provide meat. Lord Selkirk sent cows from the Old Country through York Factory to meet the needs of the Red River settlement. Many were destroyed in the Indian raids, but later importations from the United States provided the pioneers with a nucleus through which the dairy industry was eventually extended.

On the Pacific coast, importations were made largely from the south, principally from California, and many of these cows were of Spanish origin. Both Vancouver Island and the delta area of the mainland provided ideal conditions for the development of dairying.

Development of Canadian Dairying

Dairy enterprises developed slowly during the early colonial period in Canada. Meat and grain were more important to fur traders and trappers than anything that could be supplied from dairies; and even after the lumbering industry penetrated the woodland areas of Ontario and Quebec, transportation difficulties limited the outlets for perishable foods such as butter and milk. Cheese was used to

some extent, yet it could not compete with beef and pork as an article of diet. (Indeed, cheese has not yet found its way into the lunch baskets of the average citizen of Canada as it has in the older countries of Europe.)

Considerable quantities of cheese were made, however, as early as 1764 and it was recorded that six tons were exported to Britain from Nova Scotia. Even butter was shipped to the Old Country from Lower Canada early in the eighteenth century, although it was not until butter was made in factories under modern methods of production, and refrigeration that spoilage was overcome. At that time butter could not be stored successfully, and its marketing was generally limited to the residents of communities within easy hauling or shipping distance from farms.

The development of the St. Lawrence canal system aided in the shipment of dairy products, but even during the first quarter of the nineteenth century progress in dairying was far from spectacular. After the 1837-38 rebellion, and more particularly when the building of railways began in the middle of the century, there was a general improvement in distribution facilities upon which dairy farmers were able to capitalize. The growth in industry and population in Central Canada during this period created a greatly increased demand for food products. By the time the Canadian Pacific Railway linked the West with the East, dairy farming had become an established industry of considerable importance to the economy of the Dominion. But real progress in dairying did not take place until the beginning of the nineteenth century, when science came to the rescue of the dairy farmer.

Three inventions stand out prominently in the history of dairying: first, the invention of the Babcock Test (1890); second, the invention of the cream separator (1880); and, third, the introduction of pasteurization. The latter revolutionized dairying by improving the quality of cream and milk used in manufacture or fluid distribution.

Although the first pasteurization machines came into Canada from the United States in 1896, it was about 1912 before this method received much recognition in this country. Before Dr. Babcock of Wisconsin brought out his tester, now unanimously accepted by the dairy industry, rather crude methods were employed for measuring the fat content of milk, none of which was very satisfactory. The Babcock Test has been generally used in Canada since about 1900.

The cream separator was first developed by Neilson in 1878 and later by De Laval (1879). In 1890 there appeared a machine made by Alexander. All were based on the principle of the centrifuge operated at a high speed; since cream is lighter than milk, the latter gravitates below and the former rises to the top. A hollow bowl was used in the earlier machines. This method was improved upon by the use of a spindle into which the bowl was placed, and later by the introduction of a series of disks within the hollow bowl. This plan assured a more perfect separation of the two elements, and its success is proved by the fact that it is still in use.

Cheese

The production of cheese dates back many centuries in history. Cheese was made in some form or other before the Christian era by Jews, Greeks and Romans. The nomadic tribes of Asia and Africa also made it at a very early period.

In Switzerland cheese is often made from goat's milk and cured in caves. The French and the Danish people have developed varieties of cheese peculiar to their tastes, while Cheddar and Cheshire cheese has been produced in England under a technique developed through several centuries of experimentation. Cheddar cheese was introduced into the United States by early British settlers, and the system of making it followed in the United States was later employed in the making of cheese in Canada. Of course, for many years the cheese produced in

Canada was largely made on farms, the makers using methods that many had probably learned at home in Great Britain or elsewhere. As the producers gained experience in cheese making they improved their technique, and some of them established reputations as cheese makers which often extended beyond the limits of their own communities.

The census of 1861 placed the output of cheese in Ontario at well over 3 million pounds, which seems to have been the peak point in its production on farms. At that time Oxford County was the centre of cheese production, although Glengarry County also turned out a considerable volume. George Cross of Georgetown, considered one of the foremost cheese manufacturers of that period, won a silver medal at the exhibition in Paris in 1865 with cheese that he had produced on his own farm.

Cheese making on a commercial scale had its origin in New York State, the method employed being an adaptation of the system used in England where cheddar cheese has been made for over two hundred years. The first factory in North America was established in Oneida County, New York State, in 1851. The system employed was introduced into Canada by Harvey Farrington, who built the first factory in Oxford County, Ontario, in 1864. In 1865 another factory was established at Ingersoll and in the same year cheese production in Eastern Ontario had its beginning with the erection of a plant at Athens.

The factory system spread very rapidly in Ontario and in 1867 there were 235 factories in operation, 36 of which were in South Oxford. But as the population increased that part of the province turned to other branches of dairy production, and in recent years the cheese making area has shifted to the eastern counties.

Cheddar cheese production was introduced into Quebec in 1865, the first factory being built at Dunham in Missisquoi County in that year. In 1872 a factory was opened at St. Denis,

Kamouraska County, which was the first development of this kind in a French-Canadian community. Before the close of the last century there were 50 cheese factories in Huntingdon alone, and cheese making was the main branch of the dairy industry in the Eastern Townships. With the rise in demand for fluid milk and the increase in land values, the production of cheese moved into the newer sections of the province, remote from large urban centres. Most of the cheese in Quebec is now being made in the north-east and lower St. Lawrence areas.

Most of the Canadian make is still produced in Ontario and Quebec, where farms are sufficiently numerous to obtain supplies within a convenient hauling distance of the factory. In 1943 approximately 68 per cent of the total was produced in Ontario, and 30 per cent in Quebec. Mention should be made, however, of other provinces. Cheese making was introduced in New Brunswick in 1870 and the first factory was established in 1886 in Manitoba, which now makes enough cheese to provide a surplus for sale outside the province. During the past ten years a number of factories have been built in Manitoba and Alberta; also a few in Saskatchewan and British Columbia.

VARIETIES PRODUCED

As already stated, the principle of cheese making is one of the most primitive operations of the dairy industry. There are three main classes of cheese: hard cheese, soft cheese, and processed cheese. Most varieties of hard cheese are made from whole milk. Cottage cheese is a well-known product made from skim milk. Cheddar, Cheshire and Stilton varieties of hard cheese are well known, although there is little whole-milk cheese, other than Cheddar, made in Canadian factories at present. In 1943 a little more than 2 million pounds of other cheese were produced as compared with 162 million pounds of Cheddar cheese. Farm-made cheese amounted to considerably less

than one million pounds, over half of which was produced in Ontario and British Columbia.

The principle employed in Cheddar cheese manufacture is the coagulation of milk to permit the separation of the whey from the curd. In the modern cheese factory milk is placed in long vats and kept at a constant temperature during the period of coagulation. To aid in throwing the solids out of a state of semi-solution, a starter commonly known as rennet is added. Rennet is obtained from an extract found in the fourth stomach of calves, and contains an enzyme known as pepsin which reacts on milk to produce the results desired. When the whey is drained off, the curd is dried, milled, and finally pressed into large cylindrical blocks, usually of the standard size of 14 to 16 inches, weighing 70 to 90 pounds.

Since most of the cheese is now required for export to the United Kingdom, wartime regulations make it necessary for makers to meet the minimum requirements in respect to both size and weight. Cheese being shipped to Britain must also be unwaxed and uncoloured. Vat numbers and registration numbers of the factories are stencilled on the boxes so that off-flavoured cheese can be traced to its origin. The regulations of the Dairy Act require cheese to be kept in the factories for a period of eight days, although it takes several months for cheese to be properly cured. Green cheese is inclined to be rubbery and is not rated as a highly dependable product. In judging Cheddar cheese 70 points out of 100 are usually given for flavour and texture.

Little is known about the quantities of cheese made in factories during the early years of factory production, but data covering the numbers of plants in operation are shown in the census commencing with 1871, and export figures indicate the rapid expansion which took place in the cheese trade over a

period of 35 years. This new business quickly seized the imagination of capitalists and farmers alike. Cheese factories sprang up here and there throughout the settled areas of Ontario and Quebec, many being built on side roads and back concessions where patrons had the advantage of short hauls in taking their milk to the factory.

In the light of subsequent experience the possibilities of over-development might have been foreseen. But there were few to offer warning; for farmers had found an outlet for their produce at a time when they were struggling for a livelihood and agriculture was in the making. The time came when many factories fell into disuse, but regardless of this circumstance it should be recognized that the cheese industry came into being under the impact of restricted markets, and its expansion in the eighties and nineties laid the foundation for other branches of dairy enterprise that have far exceeded the hopeful expectation of years ago.

The census of 1871 showed 353 cheese factories in operation, of which 323 were in Ontario and 25 in Quebec. In 1881 the number increased to 709, Ontario claiming 551 and Quebec, 140. Ten years later the number was more than doubled, 1,565 factories being reported, with 893 in Ontario and 617 in Quebec. Before the turn of the century, creameries had commenced to spring up and some factories made both butter and cheese. Yet the census of 1901 showed that cheese factories alone had increased to 2,389. Differing from the earlier period, Quebec led with 1,207 as against 1,061 in Ontario. With the addition of combined factories there was a total of 2,947 factories, 1,547 in Ontario and 1,233 in Quebec.

PRODUCTION

Production figures for 1900 reveal that the output during that year amounted to 221 million pounds of cheese. Thereafter production declined steadily for twenty years, reaching the

low level of 149 million pounds. In 1921 it increased to 162 million pounds, but in 1922 fell again to 136 million. Butter production exceeded the cheese output for the first time in 1922, but in 1925 the cheese industry temporarily regained the leadership, with an output of 177 million pounds. In 1927 it dropped to 138 million pounds and in 1934 reached the low point of 99 million.

This was the turning point in production. Three years later 130 million pounds were produced, and except in 1938, when a slight recession occurred, cheese output advanced slowly but steadily up to 1942 when 207 million pounds were produced in Canadian factories. In 1943, however, it fell to 165 million pounds, the temptation to patronize creameries under the price relationship that obtained that year being an important factor in reducing the output. Advance forecasts indicate, however, that the 1944 output will considerably exceed the amount produced last year.

Cheddar cheese manufacture in Canada has given rise to an important subsidiary industry which may be briefly mentioned, namely, processed cheese. This is made from Cheddar cheese to which milk, butter, or other products are added, and usually a flavouring material, to make it more palatable. It is then heated in a jacketed container under agitation, after which it is forced into receptacles of the kind and shape desired, and then packaged, labelled and sold under various trade names.

Processed cheese has become very popular in Canada and for a time considerable quantities were exported to Great Britain, this movement reaching its peak in 1925. Since then the greater part of the output has been consumed in Canada. The production of processed cheese in 1943 amounted to approximately 36 million pounds, of which 26 million pounds, or 73 per cent, was Cheddar cheese used in manufacture.

EXPORT TRADE

Owing to the suitable climatic conditions for the production and curing of cheese in this country, the Canadian product has long enjoyed a high degree of popularity in the British market, to which practically all exports of Canadian cheese are shipped. Unfortunately, a great deal of the cheese sold on the British market loses its identity before it reaches the ultimate consumer, and many are unaware that it is a Canadian product.

Long before factory production had commenced, Canadian cheese was being shipped to Britain in considerable volume. Canada exported approximately 19 thousand pounds of cheese in 1850 and 124 thousand pounds in 1860. In the fiscal year ended June 30, 1867, exports were placed at $1\frac{1}{2}$ million pounds, and in the following year, when the first cheese factories were opened up, shipments from Canadian ports had risen to approximately 6 million pounds. In 1871-72 exports advanced to 16 million pounds and in 1881-82 nearly 51 million pounds moved out of Canada.

By the end of the next decade 118 million pounds were shown in the export returns, and in 1898 shipments had advanced to nearly 197 million pounds. Cheese exports passed the 200 million mark during the year ended June, 1902 and rose still further to 234,432,783 pounds in 1903-04.

Commencing with 1905, cheese exports began to decline. In Canada a new economy was in the course of development, which made it necessary to give first consideration to the home market created by the rapidly expanding population. Milk formerly used for cheese making became diverted to creameries for the production of butter, and in the ten years prior to the first World War competition from the butter industry manifested itself in the cheese producing areas. By 1910 exports for the fiscal year had fallen to 180 million pounds, and in 1914 to 144 million. During the war period the

peak export movement was reached in 1916-17, when 180 million pounds were shipped from Canada. From that time, however, the decline was more or less continuous, with the exception of the years 1924 and 1925 when production took an upward turn. In the calendar year ended December, 1930, only 80 million pounds were shipped out of the Dominion, and by 1935 exports had fallen to 56 million pounds, the lowest point in fifty-three years.

In view of the importance of cheese manufacturing to the industrial progress of Canada, efforts were made to restore the opportunities that cheese makers had lost, and thereby to strengthen Canada's export position on the British market. Bonuses for quality cheese were offered by the Dominion Government, and financial aid was given to assist in the amalgamation of factories. This tended to give some encouragement to cheese manufacturers, and during the three years prior to the war more cheese was produced and the export trade increased.

Commencing in 1941, bonuses offered by the governments of Ontario and Quebec, coupled with export bonuses instituted by the Canadian Government, have helped to stimulate an enlarged production of cheese. From 14 cents, which obtained during the latter part of 1940, the price of cheese advanced to 20 cents f.o.b. factory or local shipping point. The latter is the fixed government price which has been in effect for the two years, 1942 and 1943. In order to give further encouragement to cheese making, a subsidy of 30 cents a hundred was paid by the Government during the winter period of 1943-44 on all milk delivered to cheese factories for this purpose. During the summer period, May to October, a subsidy of 20 cents a hundred is being paid to producers. Exports have now reached a point comparable with those of twenty years ago, and in this respect it is only fair to recognize the important contribution cheese is making to food stocks for shipment overseas.

DEVELOPMENT OF UNITED KINGDOM TOURIST INDUSTRY

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

Much thought is being given in the United Kingdom to measures which might increase the country's sources of income on international account after the war, with a view to maintaining at as high a level as possible the volume of imports, which largely influence the standard of living.

A study has recently been made of the potentialities in this direction of the tourist industry. The inquiry was conducted by the Travel and Industrial Development Association of Great Britain, an organization operated with government assistance for the purpose of encouraging the tourist business. In its report the Association suggests that the industry might be developed to the extent that it may ultimately yield £100,000,000 annually, which is considerably more than the average of the net income earned by the United Kingdom shipping industry fifteen years ago.

The report states that the tourist industry was never recognized by the Government to the extent that its promotion was adopted as a matter of national policy, although this goal appeared to be in sight in 1937. In support of this statement it is recorded that in that year the cost of the ordin-

ary visa to a United States citizen entering the United Kingdom was \$10 as against a fee of \$1 for a transit visa to a United States citizen passing through the United Kingdom en route to other countries. In 1937 the price of the United Kingdom visa was reduced to \$2.

Extent of Industry

The Travel Association has prepared the following tables showing (a) the estimated numbers of visitors to the United Kingdom during the years 1921-1938; and (b) the estimated total expenditure of such visitors.

The report attributes the official neglect of tourist promotion to lack of knowledge of the facts as well as to the "laissez-faire" policy that "dominated the economic life of Great Britain", to "the extreme British conservatism" and to the "indifference of the responsible authorities". As in other spheres, however, the official attitude largely reflected the attitude of the public. On the whole the population itself was not disposed to welcome visitors cordially—a fact that handicapped the national tourist industry at every turn.

Estimated Numbers of Visitors to the United Kingdom

	Foreigners	Overseas	Total
		British	
1921	318,463	113,776	432,239
1922	299,313	124,189	423,502
1923	331,822	144,723	476,545
1924	380,472	163,418	543,890
1925	365,568	171,769	537,337
1926	366,224	177,464	543,688
1927	418,485	185,434	603,919
1928	441,243	205,175	646,418
1929	451,659	207,531	659,190
1930	444,479	209,863	654,342
1931	351,338	186,908	538,246
1932	318,720	156,368	475,088
1933	380,424	160,757	541,181
1934	398,670	164,561	563,231
1935	450,952	176,215	627,167
1936	525,310	189,104	714,414
1937	558,516	225,377	783,893
1938	505,308	215,121	720,429

Estimated Total Expenditure of Visitors to the United Kingdom

	Unadjusted Total £	Cost-of-living Index (Ministry of Labour, 1929 =100)	Total Adjusted to Cost-of-living Index £
1921	18,368,465	138	25,348,000
1922	19,600,215	112	21,952,000
1923	21,684,535	106	22,986,000
1924	26,142,860	107	27,973,000
1925	26,051,615	107	27,875,000
1926	26,151,470	105	27,459,000
1927	28,556,425	102	29,127,000
1928	30,968,565	101	31,278,000
1929	31,745,320	100	31,745,000
1930	31,712,595	96	30,444,000
1931	27,067,890	90	24,361,000
1932	24,593,925	88	21,643,000
1933	24,325,595	85	20,677,000
1934	25,665,200	86	22,072,000
1935*	27,258,010	87	23,714,000
1936	30,205,075	90	27,185,000
1937†	33,299,455	94	31,311,000
1938	30,506,740	95	28,291,000

* Jubilee. † Coronation.

National Tourist Organization

Nothing effective was done in the way of forming a central tourist organization until 1929, when the Travel Association of Great Britain was formed.

The Association states that its authority was never sufficiently strengthened by official recognition, and the misfortune that it started in the days of depression caused it to deviate somewhat from its original course in the search for a means of maintaining the country's revenue on international account. Its scope was extended in February, 1932, to include the attraction of overseas manufacturers, with a view to their building factories in the United Kingdom, and the name was accordingly amended to "The Travel and Industrial Development Association".

At the time of formation the Travel Association was promised financial support by the Government. This materialized in the shape of a token payment of £5,000 in 1929 (about 0.02 per cent of the tourist industry's receipts), which was reduced to £4,000 in subsequent years until restored in 1936 and thereafter increased until it reached £17,354 in 1939-40. Otherwise the Association was financed from a fund built up from membership subscriptions, contributions from rail-

way and shipping companies and other undertakings, from public bodies and from local authorities. From all sources the Association's income increased from £16,000 in 1929-30 to £58,000 in 1939-40.

The activities of the Association, which maintains its own offices in several countries, took the customary forms. It carried out press and other advertising schemes abroad; arranged broadcast talks; prepared and distributed films, posters, booklets, etc.; participated in exhibitions overseas; operated a press news service; and entertained overseas pressmen and travel agents.

Nevertheless the Association admits that it was working only on the fringe of the national tourist industry. The main burden was carried by Great Britain's commercial undertakings, independently of the Association. It expresses the opinion that these largely unco-ordinated efforts placed the United Kingdom at a disadvantage as compared with the more aggressive activities of foreign governments.

Hotel Industry

While hotels of the "first international grade" catering to wealthy visitors may be regarded as satisfactory, the Association complains that, with certain conspicuous excep-

tions, large numbers of the medium-price hotels might be fairly criticized with regard to food, furnishing, lack of bathrooms, inexpert staff, and high cost. The same shortcomings also apply in most cases to hotels and boarding-houses used by the least wealthy class of tourists. This state of affairs is ascribed mainly to the handicaps imposed by obsolete and inappropriate laws and to certain economic principles of hotel-keeping that operate adversely in Great Britain.

As a remedy for these deficiencies the Travel Association recommends that the hotel system be recognized as rendering a service to the nation; it should be given encouragement and assistance to develop, and offered inducements to adopt international standards.

Recommendations for Improvement

Other recommendations made by the Association are (1) that the Government develop the national tourist industry as an object of policy and as an

item in the post-war export trade drive, announcing its intention to harmonize all other affairs with such a policy as far as possible; and (2) that the Government accept ultimate financial responsibility for the work of the Travel Association.

Presuming that the above recommendations are adopted, the Association proposes to operate during the first two years on a scale more or less equivalent to that prevailing before the war. During the period when the reorganization suggested was being implemented, it is estimated that expenditure could usefully be increased to between £500,000 and £1,000,000 annually, most of which would have to be supplied by the Government. Thereafter it is considered that the Government should be prepared to provide between £1,000,000 and £2,000,000 annually for all tourist industry development activities. All this expenditure would, in the view of the Association, be far exceeded by the Treasury receipts from tourists' indirect tax payments.

OVERSEAS TRADE OF NEW ZEALAND IN 1943-44

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

According to preliminary statistics of New Zealand's overseas trade for the twelve months ending June 30, 1944, there was a substantial rise in the value of imports and a slight increase in that of exports over the previous year's figures. The period covered corresponds to the season of production and trade and is referred to as the "production year".

The total value of exports and imports was £170,898,000. Exports, at £73,213,000, were nearly £2,000,000 in excess of the value for the corresponding period of the previous year and only £826,000 below that for the peak year 1942. Imports have shown marked increases during recent months, largely as a result of expanded receipts of defence materials and equipment and lend-lease supplies. Their value for the period reached the abnormally

high figure of £97,685,000 as compared with the previous year's total of £71,772,000—the peak figure to that date. Thus New Zealand's 1943-44 trade has returned a substantial excess of imports, amounting in value to £24,472,000.

Balance of Trade

A year ago the totals of imports and exports were shown as almost in balance, there being an import excess of only £470,000; for the twelve months ended June, 1942, the export surplus was £22,661,000. The trade position, according to these figures, has apparently deteriorated in two years to the extent of over £47,000,000.

This complete change, as mentioned, is largely the result of receipts of goods and materials and services under lend-lease from the United States. Last year lend-lease reached its peak, and

a great volume of goods poured into New Zealand for the use of her armed forces and war factories and for other purposes.

New Zealand has followed the practice of including in import returns all goods and services and shipping freights made available to the Dominion by the United States but has not included in exports the goods and services sold to the Americans to be either used in New Zealand or supplied to the American forces in the war zone. During the year ended March, 1944, lend-lease goods and services valued for accounting purposes

at £32,500,000 were received; in return goods and services costing £24,500,000 were supplied to the United States.

Quantitatively the values of imports are not a true indication of the position, on account of the disparity between the prices at which goods and services supplied by the Americans are accounted and the prices of such items charged by New Zealand in return. These facts must be taken into consideration when reviewing the statistics.

Trade returns, in New Zealand currency, for the past five years are as follows:—

New Zealand Trade Returns

July—June	Exports	Imports	Trade Balance Fav. (+) or Unfav. (—)
1940..	£65,859,000	£46,070,000	+ £19,789,000
1941..	65,766,000	46,185,000	+ 19,581,000
1942..	74,039,000	51,378,000	+ 22,661,000
1943..	71,302,000	71,772,000	— 470,000
1944..	73,213,000	97,685,000	— 24,472,000

INDIAN MARKET SURVEY

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

V. Miscellaneous Market Information—*Conc.*

Documentation

The question of documentation of shipments to India need not give the Canadian exporter undue concern. The principal difficulty experienced by local representatives of Canadian shippers in this regard is that documents are too frequently not available as soon as the shipment itself.

In practice the agent or buyer will normally specify his particular requirements but, in the absence of such advice, invoices, bills of lading, and such supplementary material as packing lists should be supplied in triplicate, the original copies being despatched by air mail and duplicates by the fastest available sea-mail service.

Invoices should show all principal details of factory cost, packing, insurance, and transportation. Declarations as to British content are unnecessary under present circumstances.

Marking

The question of marking shipments for India is also one which gives small cause for concern. Freight shipments packed in cases or similar containers need only be painted or stencilled with the importer's name or special mark, the port of discharge or transshipment (possibly with the eventual destination added), the case or package number, and preferably the indication "Made in Canada".

Such marks should be readily apparent for the benefit of stevedores and warehouse or customs officials and should be kept to a minimum except under special instructions from agents or consignees. All special marks and numbers should conform exactly to references provided on invoices or other documents.

Glass or other breakables should be given the protection of special labels,

while machines, electrical goods, etc., may require that a notice be affixed to cases to ensure their being carried or stowed in an upright position.

Maintenance of Stocks

An important factor in the relationship between some Canadian manufacturers and their local representatives is based on the necessity for the latter keeping certain stocks on hand in order to permit prompt delivery to the trade and such buyers as the Indian Stores Department. The availability of stocks is also, on occasion, essential to the successful commencement of business in a line that is unknown on the market. The goods involved in such circumstances are generally for industrial use, e.g. iron and steel manufactures, paints, metals, certain machinery and parts, special tools, etc.

Occasionally a buyer or agent with ample funds and full confidence in a product will be prepared to invest his own capital in a reasonable quantity of stock, but more frequently the local firm will contend that, when it is prepared to meet clearing, storage, and distributing charges, the manufacturer should assume the cost of financing the business over an arranged period of time. Shippers must adjust their policy on this question to conform with their interest in market opportunities and the recommendations of their local connections.

Patents, Designs, and Trade Marks

Indian laws and regulations concerning patents and designs are much the same as those in force in the United Kingdom and other Empire countries. They are embodied in the Indian Patents and Designs Act, 1911, and subsequent amendments and the Indian Patents and Designs Rules, 1933, also the Indian Secret Patent Rule, 1933. Patents are obtainable from the Central Government by inventors or their representatives.

Until recently the position with regard to the ownership and registration of trade marks has been less clearly

defined than in the case of patents. For many years there were no laws or rules relating specifically to this subject. In 1940, however, the Central Legislature passed a Trade Marks Act which provided for registration and increased the protection of such marks. Enabling regulations have not been issued to date except in the case of certain textile goods, but it is expected that the Act will be fully in force in the comparatively early future.

The names of several patent attorneys are available from the Department of Trade and Commerce, Ottawa.

Advertising

Advertising in India is along the same lines as in most other countries. It may take the form of newspaper and periodical advertisements, cinema films, the use of billboards, the distribution of leaflets and samples, etc.

In general, costs are higher in India than in most other countries, and results are less. Canadian firms are accordingly warned against the acceptance of requests from their Indian representatives for advertising allowances, although in the case of such goods as patent medicines, certain novelties, and branded goods, regular or periodical advertising through selected media may be justified.

When planning any advertising campaign, the manufacturer will naturally collaborate as closely as possible with his local agent or buyers. Their advice may be adequate for the circumstances, but in cases of uncertainty it may be well to enlist the services of one of the various advertising agencies in the larger commercial centres. The advice of such experts will indicate not only the desirability or otherwise of undertaking such expenditure but also, if positive, the extent, media, and cost involved.

Claims and Complaints

India is probably one of the most troublesome of all export markets with regard to complaints and claims based on loss, damage, deterioration, pilfer-

age, and other deficiencies in the quantity or quality of imported goods.

It is to some extent on this account that previous sections of this report have indicated the necessity of selecting suitable representatives and of providing the soundest possible containers and packing, the provision of detailed packing lists, shipment by the most expeditious route, and the coverage of shipments by adequate insurance.

The receipt of complaints and claims is an inevitable counterpart of export trade and, where India is concerned, the necessity of transshipment, careless handling, and severe climatic conditions must be accepted as a genuine basis for some occurrences of this kind. Due care must be taken, however, to guard against acceptance of unjustifiable charges of damage, deterioration, loss, or other deficiencies.

Various small firms are unduly given to the practice of preying on exporters, with either no valid excuse for such action or the most flimsy occasion for doing so. Exporters need have no hesitation in refusing claims from little-known buyers unless supplied with clear evidence that they are amply justified.

Wartime Market Developments

A brief review of the more important changes in the Indian import market occasioned by the war may be of interest.

At its beginning, competition from Germany and German-controlled countries was automatically eliminated. Trading opportunities available to other countries underwent a corresponding improvement, accelerated in some instances by increased local demand.

Soon afterwards the introduction of restrictive regulations applying to imports of numerous commodities from non-sterling or non-Empire countries offered substantial encouragement to trade from the United Kingdom and other parts of the Empire. Restrictions were imposed on a few goods of Canadian origin. At the same time the market was becoming increasingly

interested in various types of machinery and raw materials for use in industrial undertakings.

Two years after the beginning of the war the value of trade with Empire countries had expanded considerably. There was also a marked increase in the value of imports from the United States. China also figured much more prominently than for several years past as a source of imports and an outlet for export business. Japanese trade had undergone few changes of importance.

A short time later the general scheme of import and exchange control was extended to a point where, in the case of non-sterling or hard-currency countries particularly, imports were reduced to a minimum and comprised little more than equipment and materials for essential industries or for the vital needs of the civil population. Meanwhile the Government itself, acting either directly or through special agencies, took over a large measure of the management of the country's import trade.

This position still obtains to a large extent. There have been various evidences of readiness to relax control measures for the benefit of the public, both with regard to available supplies and to reduce abnormal price levels, but beyond this general tendency the market, at time of writing, remains one where official control of commercial transactions is predominant and where there is no immediate prospect of a thorough-going reversion to normal trading practice.

General Review

The figures given in preceding sections of this report relating to the total import capacity of the Indian market and India's recent consumption of Canadian goods may be unfamiliar to many Canadians who are interested in export trade. Other figures showing the extent of Canada's pre-war exports to this market will cause less surprise.

Several reasons for the traditional limitation of these values have already been mentioned, and their bases may

even bear repetition as being geographical, in so far as distance is concerned, with resulting unfamiliarity and lack of personal contact, the vast difference in the customs and standards of living, the severity of European and other competition in the markets for manufactured goods, the lack of demand in one agricultural community for the farm products of another, and the fact that Canada has never produced for export many of the goods which India has imported in the largest quantities.

It seems possible that the future will see a considerable change in this situation. There can be little doubt that India's imports for years to come will be large and varied. Canada's export capabilities will simultaneously have undergone vast expansion. The keenness of local demand, as in the early years of the war, with no response from continental Europe or Japan, will be reflected in increased and insistent interest in Canadian resources as well,

of course, as in those of the United Kingdom, the United States, Australia, and other countries of the United Nations and presumably several neutrals.

At such time it will be for Canadian exporters to assess the value of this market in relation to their export capacity and that of other overseas territories. Closer study than it has yet received will undoubtedly be interesting and in some instances is sure to prove of substantial value.

NOTE.—Since the establishment of the Canadian Trade Commissioner's office in India in 1923, the *Commercial Intelligence Journal* has carried numerous reports on the Indian market for particular commodities, economic and trade conditions, export practice, etc. Reports in pamphlet form entitled "The Indian Empire as a Market for Canadian Products" by H. R. Pousette, and "The Indian Market—Points for Exporters" by R. T. Young were published in 1922 and 1936 respectively. Exporters who are interested in more complete details regarding such subjects than are given in this report are referred to files of the *Commercial Intelligence Journal* or to the Canadian Trade Commissioner, Bombay.

CARGO BOOKINGS TO AFRICAN AND WEST INDIAN COLONIES AND BRITISH SOUTH PACIFIC ISLANDS

The Shipping Priorities Committee announces that, effective October 16, 1944, a new procedure will be established for the booking of cargo out of United States ports for the following destinations:

African and West Indian Colonies

Angola (Portuguese West Africa); Belgian Congo; British West Africa, including Nigeria, British Cameroons, Gambia, Sierra Leone, Gold Coast with Ashanti and Northern Territory, and British Togoland; French Cameroons; French Equatorial Africa; French Guiana; French West Indies, including Desirade, Guadeloupe, Les Saintes, Martinique, Marie Galante, St. Martin (northern part), and St. Bartholomew; Liberia; Madagascar; Mozambique (Portuguese East Africa); and Reunion.

British South Pacific Islands

Fiji, Solomon Islands, Gilbert and Ellice, Pitcairn, Tonga or Friendly Island, and Santa Cruz Islands.

Freight-space Application Procedure

Exporters after October 16 will submit freight-space applications in duplicate on Form E.1 direct to the Shipping Priorities Committee, West Block, Ottawa, instead of to the British Colonies Supply Mission or other Mission concerned, as has been the procedure in the past, in the case of all shipments over 2,240 pounds destined to the above areas. Exporters may book directly with any steamship company serving these destinations for shipments weighing less than 2,240 pounds.

When freight-space application (Form E.1) has been approved by the United States Foreign Economic Administration, two copies will be stamped "Certified for Booking" and returned by the Foreign Economic Administration to the person indicated in answer to Question No. 19 on Form E.1.

Upon receipt of the certified forms, exporters may arrange for tentative bookings with steamship companies serving the intended destination.

Upon completion of a firm booking, the steamship company will return one copy of the form to the exporter and retain the other.

O.D.T. Permit Procedure

An O.D.T. permit when required (i.e. shipments of 20,000 pounds or more), will be assigned by the Division of Cargo Control, War Shipping Administration, through the Transport Controller, Montreal, upon submission by the exporter or his agent of an Association of American Railroad form bearing the steamship company certification of space reservation.

If a shipment has not been booked with a steamship company, nor an

O.D.T. permit issued within 90 days after the space application has been approved, the application will be cancelled and one copy returned to the shipper, who may file a new application.

If the application cannot be immediately approved for any reason, copies of space applications will be returned to the applicant and a resubmission date may at that time be suggested.

If the entire shipment is not made on one vessel, the application becomes invalid for movement of the remainder of the merchandise. The exporter may submit a new application for shipment of the balance if its quantity is such as would ordinarily require submission of an application.

Freight-space applications which cover proposed shipments weighing 2,240 pounds or more and which were on file with the War Shipping Administration prior to October 1, 1944, will be considered valid until November 30, 1944. If not shipped at that time, applications will be cancelled. If the exporter so desires he can submit a new application to the Shipping Priorities Committee, Ottawa.

TRADE REGULATIONS AND TARIFF CHANGES

Egypt

IMPORTATION OF CERTAIN FOODSTUFFS PROHIBITED

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, writes under date August 7, 1944, that, effective August 8, Law No. 88 of 1944 prohibits the importation into Egypt of preserved vegetables or products of the vegetable world and of butter or substitutes which contain substances injurious to health.

Following are the provisions of this law:—

1. Importation is prohibited of (a) preserved vegetables or products of the vegetable world to which have been added compositions of copper or other colouring sub-

stances injurious to health, and (b) butter or substitutes containing boric acid or, other boricated substances, or any other preservative injurious to health.

2. Importation of preserved vegetables and products of the vegetable world, as also of butter and its substitutes, is subject to production of a certificate issued by the administrative authority of the country of origin stating that the goods are free of the substances covered by Article 1.

For products of countries where the administrative authorities do not issue such certificate, this may be replaced by any other certificate considered sufficient by the Egyptian Health Department.

Shipments which are not accompanied by this certificate shall be reshipped abroad by the interested parties within a period of one month. This period will be calculated from the moment when the Customs Administration has advised the interested party of arrival of the goods or, in the case of parcels post, from the date of verification of the

package. On expiration of this period, the goods will be destroyed without the interested parties having the right to any indemnity.

3. Notwithstanding production of the certificate from the country of origin, the Health authorities may at any time stop temporarily at the customs or in the post delivery of the goods which are the subject of the preceding article with a view to a chemical analysis. For this purpose, the Health authorities may, the interested party having been notified, extract samples to be submitted for analysis. A process-verbal of this operation shall be prepared containing all necessary indications for identification of the

samples and the packages from which they have been extracted.

If analysis of the sample proves the existence of injurious substances mentioned in Article 1, the Health authority will order the reshipment of the goods to the country of origin. In this reshipment is not effected within a period of one month from the date of the decision having been notified to the interested parties, the goods will be destroyed without the latter having right to claim any indemnity.

The Health authorities may forbid the reshipment of the goods and destroy them immediately. There shall be no appeal from their decision.

DECENTRALIZATION PLAN FOR EXPORTS TO LATIN AMERICA
STILL FURTHER MODIFIED

An announcement in *Commercial Intelligence Journal*, No. 2109 (July 1, 1944) dealt with modifications in the decentralization plan relating to certain of the Latin American countries and anticipated their extension to others. This extension has now been effected, so that, with the single exception of Argentina, import recommendations (or comparable documents) are only required for a relatively short list of commodities.

The list of commodities requiring import recommendations is not the same for each of the nineteen republics concerned. Brazil is the only one requiring them for chemicals, pig iron, graphite, nickel and alloys, tin, zinc and products. Cuba alone requires them for paper, related products and manufactures, wood-pulp and unexposed motion-picture film.

A general indication of the commodities requiring recommendations

Commodities Requiring Import Recommendations for Exports

	Brazil	Cuba	Mexico	16 Others
Chemicals (details on application)	X	—	—	—
Bristles	—	—	—	X
Brushes	—	—	—	X
Buttons, metal	—	—	—	X
Coal and coke	X	—	—	X
Copper, copper-base alloys and products thereof	X	X	—	—
Tacks and nails	—	X	—	X
Fourdrinier wire	X	—	—	X
Cotton and cotton products	—	X	—	X
Iron and steel and manufactures thereof	X	X	X	X
Tacks, nails and staples (incl. copper, brass and bronze)	—	X	—	X
Graphite	X	—	—	—
Nickel and alloys	X	—	—	—
Tin	X	—	—	—
Zinc and zinc products	X	—	—	—
Paper, related products and manufactures	—	X	—	—
Film, unexposed motion picture	—	X	—	—
Rayon and rayon products	—	X	X	—
Oilcloth, window-shade cloth, book cloth	—	—	—	X
Pyroxylin, other water and impregnated fabrics and waterproof outer garments	—	—	—	X
Tire casings, inner tubes, solid tires	X	X	X	X
Wood and wood manufactures	X	X	—	X
Wood-pulp	—	X	—	—
Wool yarn	—	X	—	X

for the various countries is given in the table above by the letter "X" placed in the appropriate column. This list is not in complete detail, since many items that would be covered by the general headings do not require recommendations for one or more des-

tinations. Exporters may ascertain the status of the particular products in which they are interested by addressing inquiries to the Export Permit Branch, Department of Trade and Commerce, Ottawa.

NEW ZEALAND EXCHANGE CONDITIONS

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

Since the early days of the war and for some months prior to its outbreak, when the serious shortages of overseas funds necessitated hand-to-mouth buying of essential requirements, New Zealand has slowly built up her overseas credits. In sterling they now amount to £33,600,000. From about September, 1939, the financing of trade under a rigid policy of selected imports has been normal. The exchange rate for the New Zealand pound continues at 15s. sterling and \$3.60 Canadian.

The agreement recently signed with the United Kingdom Government provides for payments to New Zealand of £28,000,000 sterling as well as for increases in prices for her produce to compensate for a disparity in import and export prices during the war years. This money, added to New Zealand's present sterling credits of over £33,000,000, will substantially improve her buying power in the United Kingdom market. Moreover there is a moral obligation to give preference to United Kingdom manufacturers when replenishing the depleted stocks of civilian goods, both capital and consumer.

No information is forthcoming as to the amount of Canadian or United States dollars New Zealand has available. The expenditure of these moneys comes under the broad control of the authorities in London in the husbanding of dollars in the general interests of the sterling countries. It is reasonable to expect, however, that a greater

amount of Canadian exchange will become available for the purchase of essential civilian needs as a result of the provision under Mutual Aid of war supplies and items indirectly concerned with New Zealand's war effort.

Reliable authorities have drawn the inference from the recent budget announcement that the Government has no present intention of restoring the New Zealand pound to parity with sterling. The Minister of Finance has announced the decision to show the whole of the public accounts in New Zealand currency. Up to the present the debt in London has been shown in pounds sterling. The conversion to New Zealand pounds, as the Minister points out, "avoids the anomalous position that previously existed when, in quoting the total debt, the figure used was the sum total of two entirely different things—New Zealand pounds and pounds sterling".

The belief is expressed that, since the anomaly has been allowed to go uncorrected for over eleven years, it is unlikely that the correction would be made if the Government had in mind now or in the near future to return to parity with sterling. This should dispose of the rumours prevalent in recent months that the former parity with sterling was to be restored. The restoration under present conditions would have an adverse effect on New Zealand's economy, particularly on her export trade.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 10, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, October 10, 1944, and for the week ending Monday, October 2, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 2	Nominal Quotations in Montreal Week ending Oct. 10.	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies... Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2746	.2761	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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UNITED KINGDOM RUBBER INDUSTRY

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

Before the outbreak of war the United Kingdom imported from Canada substantial quantities of a diversified range of articles manufactured from rubber. This trade has been interrupted by wartime conditions. Canadian manufacturers will, in these circumstances, be interested in a preliminary report recently published by the Federation of British Rubber and Allied Manufacturers' Associations outlining the existing situation of the United Kingdom rubber industry and clarifying the relationship between its needs and the requirements of national policy.

The Federation represents twenty-four trade associations, all largely dependent upon rubber as a common raw material and employing at present approximately 50,000 persons, a figure which is expected to increase to 65,000

upon the resumption of normal trade. The number of manufacturing firms involved is 288, embodying more than 300 factories in Great Britain.

Raw Materials

In the first place the Federation states that the ability of the rubber manufacturing industry to re-employ a satisfactory number of people must largely depend upon the availability of raw material, especially natural rubber. This is a governing factor and, in the opinion of the Federation, synthetic—no matter how freely available—cannot yet be regarded as a complete substitute for natural rubber in some important products. It is therefore desirable to emphasize that the entire industry can neither provide mass employment nor recover its pre-war productivity unless and until an

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adequate volume of natural rubber is at its disposal.

It is considered that the price of rubber should be stabilized at a reasonable level for a specified post-war period.

The foregoing relates to rubber, and there are, of course, a number of other raw materials, e.g. carbon black, of equal importance and without which the complete revival of peacetime production would be impossible.

The ability of other industries to supply component and ancillary materials is also significant. The textile industry is an important example, and its products are essential to many branches of the rubber trade, including tires, conveyor and transmission beltting, hose, footwear, and sports goods.

Production Capacity

The capacity of some sections of the industry has been increased, particularly for specialized and government-assisted work. The capacity of reclaim output has been increased by approximately 300 per cent, of soles and heels by not less than 100 per cent, and that for tire manufacture by 20 per cent.

On the other hand, the rubber-proofing industry is not operating to capacity, and work which might have been done by it is being put through government finishing factories. Potential thread and footwear production, other than soles and heels, has been reduced. In some instances only specific and not total capacity has been varied, and in others factories have been completely closed.

With the possible exception of the reclaim section, the Federation does not consider that there will be any post-war difficulty in employing such additional capacity as has resulted from war production. Again, this assurance must be subject to the sufficient supply of raw material and labour.

Equipment and Space

While the Federation does not suggest that all the equipment of its mem-

bers will, at the end of the war, represent the latest design and practice, there is no likelihood of post-war production being handicapped by the inefficiency of plant. The general position does not warrant any industry scrap-and-build plan. It is considered that overworked equipment and obsolete machinery can be replaced in accordance with normal procedure. The financing of such replacements may present problems in some cases, and it is considered urgent that the Government should allow tax reliefs in order that adequate reserves may be built up for this purpose.

Some sections of the industry may require additional space, either for expansion, replacement of damaged property, or in substitution for that now occupied by government-owned stores.

Concentration is another feature which may encourage some manufacturers to seek new buildings, and here the rubber footwear industry may be affected to a greater extent than other sections.

In all these circumstances the Federation requests that it be given details of premises and equipment likely to be surplus to government requirements, so that the industry may have early opportunity of acquisition.

Quality Standards

Most, if not all, sections of the industry have been required to degrade their products in order to conserve rubber. The present performance levels are not regarded with any satisfaction by the manufacturers concerned, and the Federation is apprehensive of the results of any post-war continuance of the degrading policy. In the interests of consumers and of national and international quality reputation, the Federation urges the earliest possible post-war return to pre-war quality levels or higher.

The Federation does not favour the post-war adoption of standard quality levels in any of the trades which it represents, but would welcome minimum standards of performance for

suitable products and the discussion of such a project with the departments interested.

Demand and Control

As far as can now be seen, the Federation expects a substantial post-war demand for the products of its members. At the end of the European war the difficulties of raw material supplies may not be materially eased, and not immediately upon the defeat of Japan will natural rubber become freely available. In consequence the continuance of the controlled allocation of rubber and other raw materials may become unavoidable.

The Federation is of the opinion that for as long as it may be essential the control of raw material issues should be exercised by the appropriate department of the Government. Decisions as to the relative importance of the various sections of the rubber industry, particularly from the aspects of national reconstruction, must be based upon national policy. Priority of finished product requirements, when nationally established, will govern raw material allocation, in which matter the Federation hopes to be consulted.

Post-war conditions will embody many more complications than now exist, including those represented by the competing claims of home and export business and, since policy as well as procedure will be involved in the post-war allocation of raw material, the Federation feels qualified to share the responsibilities of control.

Upon another aspect of control, i.e. that of restricted distribution, the Federation urges the earliest possible removal of every feature unessential to peacetime industry. Unless distribution is freed from all the regulations and restrictions now in force, there may be such a congestion in distributive fields as will obstruct the revival of normal trade. The free flow of goods is a necessary corollary to revived production and to that flexibility essential to reconstruction.

Surplus Stocks

The disposal of surplus stocks during and after the war is a matter concerning which the Federation would wish to co-operate with the government departments interested. The tire manufacturers have already submitted a scheme to the Board of Trade in conjunction with the Society of Motor Manufacturers and Traders. Each section of the rubber-manufacturing industry has its own peculiar problems, but there is a recommendation common to all sections; it is that each association, acting through its parent body, the Federation, should be given the opportunity of repurchasing the goods supplied by its members and eventually regarded as surplus to post-war requirements.

In making this proposal no unreasonable financial or other advantages are being sought. The Federation merely wishes to avoid all those unfortunate features which accompanied the disposal of some surplus stocks after the 1914-18 war.

The unregulated sales of such stocks will delay the employment of labour in the manufacture of new goods and will tend to concentrate surplus goods in a few hands, thus penalizing the consumer.

The Federation regards this matter as being so serious in its possible effect upon post-war trade that it would be prepared to consider the formation of a repurchasing company to act for the entire industry.

Prospects for the Industry

Given the required materials and labour, the industries represented by the Federation will be able to resume peacetime production without any considerable delay, subject, of course, to no abnormal damage being caused by enemy action prior to the conclusion of the war.

Although the bulk of the industry's current production is for war purposes, the number of goods being made outside the normal range is not large. Specialized features and specifications

necessary to wartime conditions are generally capable of adjustment to peacetime needs. There has been no substantial upheaval in the type of production, and the time factor associated with the restoration of normal activity is not likely to be important.

The Federation wishes to emphasize the vital part which transport must inevitably play throughout post-war reconstruction. To an appreciable extent re-employment will be influenced by the ease of goods movement, and transport is particularly dependent upon the rubber industry.

MONOPOLISTIC TENDENCIES IN THE UNITED KINGDOM FILM INDUSTRY

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

The Cinematograph Films Council has submitted a report to the Board of Trade in response to their request for advice on practical measures to check the development of a monopoly in the United Kingdom film industry.

To the extent that films are a powerful instrument of education, exerting an influence on national culture, ideas and trade that is rivalled only by the press and radio, the subject is of more than domestic interest, particularly in its application to the development of export trade.

The Council's main conclusions are as follows:—

1. There has, in recent years, been a definite tendency towards monopoly in the industry, which has manifested itself in two ways: (a) the rapid growth of the vertically integrated combines and of the control which they are able to exercise at various stages; (b) the introduction and extension of undesirable practices in restraint of trade, partly by producers, partly by distributors, and partly by exhibitors, which militate against the healthy development of British production.

2. The continuance of independent production which has suffered from the aforesaid monopolistic tendencies—although not, so far as the evidence shows, as the result of any deliberate intention to eliminate the independent elements in the industry—is of first importance and should be the overriding consideration in formulating measures to counteract these influences.

3. The preponderating influence of

United States interests in the United Kingdom has been further accentuated, but no evidence of any substance was submitted to confirm that this trend is due to collusive action. Nor has the evidence revealed any basis for the supposition that renting organizations have, in general, been guided in their policy more by United States than British influence.

Recommendations for Improvement

Among the main recommendations made by the Council are:—

1. Legislation should be introduced prescribing that no further expansion of the circuits will be allowed by the vertically integrated combines except with the consent of the Board of Trade. Similarly any further acquisition of existing studio space by the combines should be precluded except by consent.

2. In order to allay the continuing apprehension that the physical control of the United Kingdom combines may at some time be transferred to the United States, it is suggested that they might be invited to consider the introduction of a trustee arrangement to prevent control from passing into foreign hands. If some such safeguard should not commend itself, the Board of Trade should consider definite legislation to strengthen or supersede the existing safeguards.

3. In order to ensure the continuance of independent production, a system of control should be adopted to guarantee a fair allocation of studio

space as between independent and integrated production. The Council recommend further the retention by the Government of one or more studios to be made available to independent production at fair rentals.

4. A film finance corporation should be established under government sponsorship, specializing in giving accommodation on reasonable terms to qualified producers so as to ensure the permanence of financial facilities. This corporation should be empowered to establish a renting organization, eventually extending its activities into the field of overseas marketing as well as home distribution.

5. Legislation should be introduced permitting further substantial increases in the renters' and exhibitors' quota of British films as soon as production facilities permit, the Cinematograph Films Council to advise on the percentage quota within the maxima to be made operative from year to year.

Expansion of Export Markets

6. In furtherance of the export of British films to the United States market and elsewhere, and apart from the normal approaches to leading United States distributors and special

arrangements which are being developed by certain interests, a strong British distributing organization should be established in the United States, and ultimately in the British Dominions and other overseas markets, holding its facilities available to British producers on equal terms.

7. Having regard to the heavy exchange burden involved in the continued importation of United States films and the importance of avoiding a situation in which the United Kingdom might find itself compelled to restrict the importation of pictures in favour of more indispensable requirements, unless the net burden could be reduced, the Government should initiate conversations with the United States Government with a view to exploring, in consultation with the United States motion picture industry, the steps which the industry might take on a voluntary basis to increase the exhibition of British films in the United States.

8. The Board of Trade should inaugurate through official channels a thorough investigation into the possibility of developing a better market for British films throughout the British Commonwealth overseas.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

7. Dairying and Dairy Products (Concluded)

By P. H. FERGUSON, *Agricultural Branch, Dominion Bureau of Statistics*

Butter

Butter has been produced on the farms of Canada since the days of early settlement. As the population increased, the producers sold or bartered their surplus for goods in the nearby towns and villages, and the production for disposal off the farm greatly expanded.

The census of 1861 showed a production of nearly 27 million pounds of butter in Upper Canada and 16 million in Lower Canada. Ten years later, 74 million pounds were produced in

Canada, and by 1881 farm-made butter was apparently produced in practically all sections of the Dominion, the total being 102 million pounds for the whole of Canada.

PRODUCTION ON FARMS

As late as the early eighties the methods employed in the production of butter were more or less primitive as compared with the systems now in use. The utensils, of course, were of wooden construction and butter was worked entirely by hand. The dash

churn was commonly used on farms and it had a very limited capacity. It was superseded first by the box churn and later by the barrel churn, which is now in use. Since cream separators did not appear on the market until late in the century, the milk was set in shallow pans or deep cream cans with a tap at the bottom from which milk could be removed. When the pans were employed the cream was skimmed after the milk had stood long enough to permit it to rise to the top. The cream separator revolutionized farm dairying; for not only did it prove to be a labour-saving device, but it also made a more complete separation of the milk and cream and made the latter easier to churn into butter.

For the twenty years prior to 1900 cheese factories absorbed large quantities of the surplus milk produced on farms, but about 1890 creameries began to spring up, giving farmers a new outlet for their milk. Dairy butter continued to be made in relatively large quantities for many years, however. The census of 1891 showed that 111 million pounds were produced in the previous year. The make fell in 1900 to 105 million pounds. However, with the influx of settlers into Canada and the expansion which took place during the next decade, a great deal more butter was being consumed. In 1910, therefore, it was found that 137 million pounds had been made on farms, despite the fact that the creamery make had also reached sizable proportions. Owing to lack of facilities for large production of butter on farms, and difficulties in storage and shipping, the market for the farm product was more or less restricted.

PRODUCTION IN CREAMERIES

Butter factories, when first established, collected whole milk, but with the introduction of cream separators farmers were able to sell their cream and retain the skim milk for feeding stock. At first the cream was paid for according to volume. Various systems

were tried out for measuring the butter-fat content, but it was not until the Babcock tester came on the market that this method was scientifically applied.

The first creameries in Canada were built in the Province of Quebec; one was started in Huntingdon County in 1873 which only continued in business for a short time, but another more fortunate venture was started in the same county shortly afterwards. In 1875 another creamery was built at Rockburn and the first cream-gathering system was instituted in Drummond County, Quebec, in 1878. Teeswater, Ontario, claims to have had the first creamery in that province, built in 1875. In 1886 the first creamery was opened in Manitoba, and creameries were built at Saltcoats, Saskatchewan, in 1890, and at Innisfail, Alberta, in 1894.

In the census of 1891 there were 181 creameries in Canada, 111 of which were in Quebec Province. By 1901 the number had grown to 629, and by 1911 to 1,092. The first estimate covering the production of creamery butter showed on output for the year 1900 of 36 million pounds. In 1915 the quantity had increased to 84 million pounds, and in 1920 to 112 million pounds.

Butter production exceeded that of cheese in 1922 and in subsequent years the output steadily increased. In 1934 nearly 235 million pounds were produced, and in 1943 the output had advanced to the all-time high of 312 million pounds.

Reference has already been made to the contributions of science to the dairy industry. In this connection special emphasis should be placed upon the importance of pasteurization during the last thirty years. A few pasteurizers were introduced in the late nineties, but it was not until about 1911 that the pasteurization of cream was given any consideration. Coupled with pasteurization was the cream inspection system and the grading of butter. The quality of the product has immensely improved, and as compared

with only 44 per cent in 1923, when the inspection system was inaugurated, all butter now offered for inspection is made from pasteurized cream.

The growth of the creamery trade has naturally had a marked effect on the proportion of dairy butter being made on the farms. In 1900 the dairy production represented approximately 75 per cent of the total make. In 1910 it had fallen to less than 69 per cent, ten years later to 48 per cent, and in 1930 to 34 per cent.

During the thirties there was very little change in dairy butter production, nor did the creamery product show very substantial gains. But, with the outbreak of war, control measures were introduced which reacted unfavourably on the dairy butter output. The payment of a butter-fat subsidy, introduced in July, 1942, amounting initially to 6 cents a pound and raised to 10 cents for the winter period and also later increased for summer deliveries, has tended to discourage dairy butter production, which dropped in 1942 to 79 million pounds and in 1943 to 55 million pounds. The latter quantity represented only 15 per cent of the total butter made in that year.

DOMESTIC CONSUMPTION

It is well known that Canadians are large consumers of butter. Their tendency in this respect shows no signs of diminishing, judging from the continued increase in domestic disappearance over a period of years. In 1921 Canadians consumed 227 million pounds, an average of 25.8 pounds per capita. In 1930 the per capita consumption was 30.6 pounds and in 1935 it had moved up to 31.3 pounds. Even with the application of rationing, the immense volume of 337 million pounds, or 28.5 pounds per capita, was consumed in the Dominion in 1943.

IMPORTS

Prior to Confederation a considerable quantity of butter was imported from the United States. While a four-

cent duty limited this movement to some extent, such imports in 1875 amounted to 185 thousand pounds. With the growth of population this movement increased. In the fiscal years ended June, 1899 and 1900, the imports of butter exceeded one million pounds. They were comparatively small during the next ten years, but from 1910 to 1916 substantial increases were recorded, the largest imports being in the fiscal years ended March, 1913, 1914 and 1915, when six to eight million pounds were admitted into Canada. Imports were heavy also in 1921 and 1922.

Under trade agreements made both with Australia and New Zealand in 1925, those countries were permitted to ship butter into Canada under a duty of 1 cent per pound, which was less than the preferential tariff. It was realized that the dairy industry of Canada might suffer from the importation of large quantities of butter from these Dominions, and their Governments were asked to keep this in mind. This special concession to Australia and New Zealand became the subject of considerable controversy at the beginning of the thirties, and the Dominion Government negotiated new agreements with Australia and New Zealand, which came into effect in August, 1931, and May, 1932, respectively. Under these agreements the duty on butter was raised to 5 cents a pound, and if importations were found prejudicial to the Canadian butter trade, the Canadian Government could apply the general tariff rate or dumping duties at certain stated periods after giving notice in writing.

It should be mentioned that a general tariff rate of 14 cents a pound was put into effect on September 17, 1930, the intermediate tariff at the same time being placed at 12 cents and the preferential at 8 cents. Under the present war regulations, an import permit must be obtained from the Dairy Products Board before any butter may be imported.

EXPORTS

Owing to the importance of the home market, little effort has been made in Canada to build up an export trade in butter.

At the time of Confederation the exports of butter amounted to approximately 10 million pounds. While variations are shown in the trade returns, shipments from the Dominion did not exceed 18 million pounds until about the end of the last century, when they moved up to 20 million pounds. In the fiscal year ended June, 1900, exports rose to 25 million pounds, and in the fiscal years 1902-03 and 1905-06 reached 34 million pounds.

Since that time the export movement has been relatively small, except in a few years, notably 1925, when exports totalled 26 million pounds. During the last eighteen years they have ranged between a high figure of 12 million pounds (in 1939) and less than a million pounds (in 1934, 1942 and 1943), the average for the period being 4 million pounds.

Concentrated Milk

Although the production of concentrated milk is less important than that of butter and cheese, the establishment of condensaries and dry-milk plants opened up an outlet for milk that has proved of great benefit to farmers in the areas served by these factories.

The first condensary was built at Truro, Nova Scotia, in 1883, and the 1901 Census reported four condensaries in operation. The number increased to eleven in the course of the next ten years and 14 establishments were reported by 1915. In 1926 there were 28 plants engaged in the production of condensed and evaporated milk and milk powder. The industry is now centred in Ontario, where the greatest volume of surplus milk is available and where 19 of the 26 plants now operating in Canada are located. In addition, about 64 plants, including a large number of creameries, use surplus milk in the making of powder,

principally skim-milk powder and buttermilk powder.

The three most important whole milk products are evaporated milk, condensed milk, and whole milk powder, and the quantities produced in 1943 were 168 million, 27 million, and 17 million pounds respectively. Skim-milk powder is also made in considerable amounts, the 1943 returns showing an output of approximately 23 million pounds.

EXPORTS

From 1918 to 1921 the shipments of condensed milk to the United States ranged from 15 million to 24 million pounds. From 1919 to 1922 somewhat larger quantities were sent to the United Kingdom, the greatest quantity being 30 million pounds in the first of these years. Total exports in 1920 amounted to 54 million pounds, but shipments declined somewhat thereafter. Commencing with 1940 a notable increase took place, however, which must be credited to the wartime demand.

Great Britain has been the leading market for evaporated milk. Heavy shipments were made to that market between 1933 and 1936 and well over 20 million pounds in 1938. In 1940 and 1941 large quantities were exported to the United Kingdom.

Ice Cream

Ice cream has long been regarded as a highly digestible product, and large amounts are consumed annually in Canada. The production and consumption of this product has greatly increased in recent years, and it is a significant fact that, although some wartime restrictions have been imposed on the quantities manufactured for civilian use, the output has increased from 14 million gallons in 1941 to 17 million gallons in 1943. The additional gallonage was sold mainly to National Defence establishments and to organizations serving troops in military camps.

Fluid Milk

The expansion of the fluid milk trade within the last 25 years is quite properly offered as one of the principal reasons for the decline in cheese manufacturing. But while milk sold for fluid consumption might have been profitably used for other purposes, it is also recognized that the development of the fluid milk industry was in the best interests of farmers and consumers alike.

Producers who have been able to cater to the fluid milk trade in the large consuming markets of Canada have been able to enhance their income to a marked degree. Moreover, the continuity of supply required by this trade has given the entire dairy industry a degree of stability which it would not have attained under an irregular system of production. Finally, and certainly most important of all, it has brought improved health to people who have learned the food value of milk.

Production and Utilization of Milk

The importance of the different branches of the dairy industry can best be visualized when the milk used in manufacture is related to the total production.

The first estimate covering the total milk production of Canada was made in the Census report of 1911, which placed the farm output of milk in 1900 at 7 billion pounds and in 1910 at somewhat less than 10 billion pounds. This increase occurred during a period of extensive land settlement, when the

number of farm holdings advanced by approximately one-third, and breeding stock was shipped out in large quantities to the western prairies to meet the need of the new settlers.

In the course of the next decade the quest for new land had practically ended, the number of farm occupants increased only 4 per cent, while the milk-cow population made a gain of 28 per cent. Milk production did not entirely reflect the increase in cow numbers, although the total advanced to almost 11 billion pounds in 1920. In the decade 1920 to 1930 the move toward dairying was much more pronounced, and the production of milk reached a total of over 13 billion pounds. In 1940 it had advanced to 16 billion pounds and in 1943 to 17½ billion pounds.

From 1920 to 1943 there have been notable changes in the use of milk for various purposes. These are indicated in the following figures:—

	Quantity of Milk Pounds	Proportion of Total Used Per Cent
Total milk production		
1920	10,976,236,200	....
1943	17,516,918,000	....
Creamery butter		
1920	2,614,703,100	23.8
1943	7,311,175,400	41.7
Factory cheese		
1920	1,671,060,800	15.2
1943	1,837,552,100	10.5
Concentrated milk products		
1920	203,412,200	1.9
1943	588,496,000	3.4
Fluid sales		
1920	1,565,035,000	14.3
1943	3,706,513,000	21.2
Farm-home consumption		
1920	1,539,213,000	14.0
1943	1,714,112,000	9.8

Butter Statistics of Canada, 1920 to 1943

Year	Production			Domestic Disappearance		
	Total	Creamery	Dairy	Per Capita	Exports	Imports
	Millions of Pounds			Pounds	Millions of Pounds	
1920	215.2	111.7	103.5	....	13.4	1.1
1921	236.1	128.7	107.4	25.8	9.1	4.1
1922	259.7	152.5	107.2	26.2	21.5	6.4
1923	273.4	162.8	110.6	27.6	13.2	2.7
1924	287.4	178.9	108.5	27.2	12.3	1.2
1925	275.7	169.5	106.2	27.3	26.6	....
1926	281.0	177.2	103.8	28.4	9.8	9.2
1927	278.8	177.0	101.8	28.7	2.7	11.2
1928	267.4	168.0	99.4	29.1	2.0	16.8
1929	267.8	170.8	97.0	29.9	1.4	35.9
1930	283.2	185.7	97.5	30.6	1.2	38.6

Butter Statistics of Canada, 1920 to 1943—Con.

Year	Total	Production		Domestic Disappearance Per Capita Pounds	Exports Millions of Pounds	Imports
		Creamery	Dairy			
		Millions of Pounds				
1931	326.4	225.9	100.5	30.5	10.7	2.8
1932	318.2	214.0	104.2	30.2	3.5	0.2
1933	324.7	219.2	105.5	30.1	4.4	1.4
1934	344.5	234.8	109.7	31.1	0.4	2.9
1935	350.1	240.9	109.2	31.3	7.7	0.1
1936	359.9	250.9	109.0	31.8	5.1	0.1
1937	355.0	247.0	108.0	32.3	4.1	*
1938	372.4	267.3	105.1	31.8	3.9	5.2
1939	371.3	267.6	103.7	30.7	12.4	*
1940	363.9	264.7	99.2	31.3	1.3	*
1941	380.1	285.8	94.3	31.2	1.5	0.5
1942	363.1	284.6	78.5	33.1	1.6	0.6
1943	367.7	312.3	55.4	28.5	9.4	*

* Less than 100 thousand pounds.

Cheese Statistics of Canada, 1920 to 1943

Year	Total	Production		Domestic Disappearance Per Capita Pounds	Exports Millions of Pounds	Imports
		Factory	Farm-made			
		Millions of Pounds				
1920	149.7	149.2	0.5	...	142.7	0.5
1921	162.7	162.1	0.6	2.51	137.2	0.9
1922	136.4	135.8	0.6	3.04	120.1	0.7
1923	152.2	151.6	0.6	3.15	116.2	1.9
1924	150.3	149.7	0.6	3.19	121.4	0.9
1925	177.7	177.1	0.6	3.13	150.7	10.3
1926	172.4	171.7	0.7	4.04	134.7	1.2
1927	138.7	138.0	0.7	3.38	110.5	1.7
1928	145.3	144.6	0.7	3.63	114.1	1.8
1929	119.5	118.7	0.8	3.55	92.9	2.1
1930	119.9	119.1	0.8	3.63	80.2	1.7
1931	114.7	113.9	0.8	3.51	84.8	1.4
1932	121.2	120.5	0.9	3.25	86.9	1.1
1933	112.1	111.1	1.0	3.40	74.1	0.9
1934	100.3	99.3	1.0	3.61	61.1	0.9
1935	101.5	100.4	1.1	3.64	55.7	1.3
1936	120.2	119.1	1.1	3.65	81.9	1.2
1937	131.6	130.6	1.0	3.58	89.0	1.4
1938	124.8	123.9	0.9	3.80	81.0	1.4
1939	126.3	125.5	0.8	3.75	90.9	1.4
1940	146.1	145.3	0.8	3.74	106.6	1.0
1941	152.7	151.9	0.8	4.58	92.3	1.0
1942	208.2	207.4	0.8	4.07	141.5	0.1
1943	164.9	164.1	0.8	4.47	129.7	0.5

Dairy Factories Operating in Canada, 1871 to 1944

Cheese Factories

Province	1871	1881	1891	1901	1911	1921	1931	1941	1942	1943	1944
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Canada	353	709	1,565	2,339	2,154	1,619	1,143	968	977	953	1,101
Prince Edward Isl. . . . .	..	..	4	15	22	18	13	9	9	10	9
Nova Scotia	2	13	14	15	7	1	..	..	..	..	..
New Brunswick	3	4	9	49	23	24	13	9	12	11	10
Quebec	25	140	617	1,207	1,062	759	416	312	322	292	467
Ontario	323	551	893	1,061	1,007	803	677	591	583	590	564
Manitoba .. . . .	..	..	23	40	20	6	12	20	22	24	23
Saskatchewan .. . . .	..	..	..	..	2	1	5	8	9	7	10
Alberta .. . . .	..	..	..	..	11	5	6	16	17	17	16
British Columbia .. . . .	..	1	1	..	..	2	1	3	3	2	2
N. W. T. .. . . .	..	..	4	2	..	..	..	..	..	..	..

Province	Creameries								
	1891 No.	1901 No.	1911 No.	1921 No.	1931 No.	1941 No.	1942 No.	1943 No.	1944 No.
Canada	170	629	1,035	1,092	1,344	1,211	1,141	1,158	1,194
Prince Edward Isl. . . . .	..	5	9	12	22	18	18	20	20
Nova Scotia	2	8	8	23	30	28	28	25	26
New Brunswick	1	13	14	14	21	25	22	26	23
Quebec	111	445	787	677	760	597	539	542	647
Ontario	45	103	120	202	265	285	275	296	277
Manitoba	8	26	21	45	59	68	68	70	70
Saskatchewan	3	21	25	55	67	61	62	62	62
Alberta			43	40	89	92	91	93	46
British Columbia . . . . .	..	8	8	24	31	37	38	24	23

Province	Combined Factories								
	1901 No.	1911 No.	1921 No.	1931 No.	1941 No.	1942 No.	1943 No.	1944 No.	
Canada	558	436	376	195	248	260	266	255	
Prince Edward Island.. . . .	27	13	4	1	2	2	2	3	
Nova Scotia	10	1	..	..	..	..	..	..
New Brunswick	6	5	..	..	1	3	3	3
Quebec	340	121	330	148	211	224	216	207	
Ontario	172	293	35	37	30	26	40	37	
Manitoba	3	1	..	1	2	2	2	2	
Saskatchewan.. . . .	..	..	..	1	..	..	..	..
Alberta . . . . .	..	2	5	4	2	3	3	3
British Columbia . . . . .	..	..	2	3	..	..	..	..

General Summary

It may be noted in conclusion that the Canadian dairy industry depends upon export outlets for the sale of its cheese and concentrated milk products. Its other products are disposed of almost exclusively in the domestic market.

Since 1920 domestic consumption of Canadian milk production has risen substantially. The use of the latter for creamery butter, fluid sales and farm use together has risen from about 52 per cent in 1920 to nearly 78 per cent in 1943. In contrast, the proportions used for cheese and concentrated milk products fell from just over 17 per cent in the former year to just under 14 per cent in the latter. Thus the proportion of milk production going into the chief dairy export

products was lower in 1943, in spite of wartime demands, than in 1920.

At the same time the production of cheese and concentrated milk products remains a most important factor in the economy and prosperity of Canadian dairying. Further, the enjoyment of export outlets for these two products is of high importance to the industry. Approximately four-fifths of annual cheese production is marketed abroad. In the case of concentrated milk products, about one-fifth is exported. The latter finds a variety of markets abroad, although the United Kingdom is generally of first importance. The chief market for cheese has always been the United Kingdom, and the retention of that market is essential.

CONDITIONS IN IRELAND, JANUARY-JUNE

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

A review of general conditions in Ireland for the half-year ended June, 1944, shows the outlook to be on the whole satisfactory in every way. Exceptionally dry weather was experienced and, as a result, the farmers made good progress with all crops. The drought has had some adverse effect on the cereals and hay yields, but the return from root crops is expected

fully to offset any shortage thus occasioned.

The provision of a winter fuel supply for the urban population was an urgent and difficult problem, made more so by the limited transport facilities now available. In order to cope with this situation, the state authorities co-operated, encouraged, and assisted in every way private persons

who were prepared to cut their own peat.

Potatoes, the traditional staple crop of Ireland, have benefited by the favourable climatic conditions and are expected to be abundant and of excellent quality. The dry season permitted steady progress with the cutting of hay and, while the returns from first and second crops were generally below average, the quality was good. Wheat has eared well and gives promise of a rich harvest, although the drought has resulted in shortness of the straw.

Campaign for Increased Tillage

The drive for increased tillage continues and has given rise to a greater demand, difficult hitherto to satisfy, for agricultural machinery and equipment. The supply problem was intensified by the restriction on exports to this market from Canada, the United States, and Great Britain, coupled with the uncertain amount of shipping space available. The Irish producer of farm requisites has, however, displayed energy and resource and has succeeded in alleviating the position and, on the whole, the country's main needs have been reasonably met. Canadian industrialists have already been apprised of local market conditions for farm implements in a report published in *Commercial Intelligence Journal* No. 2106 (June 10, 1944). A scarcity of imported fertilizers was another unfavourable factor, and almost all the seed necessary for this year's sowings had to be drawn from stocks saved last season. Special measures were taken to ensure that all those used were of good germinating quality.

During the first six months of the current year all live stock continued in sound health and good condition, and trade remained steady with prices

showing an upward tendency. There was an active demand for all classes of breeding stock, and the prices offered for cows and springers were maintained at a high level by the expanding market for milk intended for direct consumption as well as for butter-making. Fat-stock figures in almost every case showed a tendency to exceed those of last year, and the poultry population, which is an important adjunct of the local agricultural industry, retained its sound position, despite the fact that imported feeding-stuffs are almost unobtainable.

Areas Tilled

A total of 641,100 acres of wheat, 950,300 acres of oats, and 16,200 acres of rye, beans and peas have been sown this season. These figures indicate an advance of 131,900 acres, 14,000 acres, and 7,000 acres respectively. This year's 169,000 acres of barley is a decrease of 39,900 from last year's total, but the area planted to turnips has risen from 142,800 acres last year to 146,100 acres, and mangels show a rise from 83,600 acres to 86,000 acres.

The flax crop is reported to be satisfactory, although growth is in some cases delayed. An advance of 8,900 acres is recorded over last year's sowings of potatoes, bringing this year's total to 416,500 acres.

Imports

Owing to wartime restrictions on the publication of statistical data, detailed figures of imports into this country cannot be shown according to various classes. It is, however, possible to give these under the four main headings; to facilitate comparison with pre-war totals, values for the corresponding six months (January to June) of 1938 are also shown.

Imports into Ireland by Main Groups

	January-June	
	1944	1938
Live animals	£ 446,625	£ 420,858
Food, drink and tobacco	4,718,813	5,693,133
Other raw materials and manufactured goods ..	8,138,020	14,208,921
Parcel post.	171,737	465,788
Total	£13,475,195	£20,788,700

STORAGE ALLOWANCE ON FROZEN CANADIAN LAKE FISH IN THE UNITED STATES

By L. H. AUSMAN, *Assistant Canadian Trade Commissioner at New York*

It has been announced by the Office of Price Administration that United States importers of frozen Canadian lake fish are now permitted to add specific storage charges to their present base prices* during the months of April to November inclusive.

Under Amendment 22 to Maximum Price Regulation 364, the storage allowances, per pound, are as follows: April, $\frac{1}{4}$ cent; May, $\frac{1}{2}$ cent; June, $\frac{3}{4}$

*See *Commercial Intelligence Journal* No. 2105 (June 3, 1944).

cent; July, 1 cent; August, $1\frac{1}{4}$ cent; September, $1\frac{1}{2}$ cent; October, $1\frac{3}{4}$ cent; November, 2 cents.

During the winter fishing season in Canada, from December to March, no storage allowance may be added.

The effect on consumers' prices for frozen Canadian lake fish is that during October and November they are expected to be increased by 3 to 4 cents per pound. On a yearly basis the average increase will be from 1 to 2 cents per pound.

FOREIGN TRADE OF BRAZIL IN 1943

By L. S. GLASS, *Canadian Commercial Attaché at Rio de Janeiro*

(Unless otherwise indicated, all tons in this report are metric tons of 2,204 pounds; one cruzeiro equalled approximately 5.09 cents United States currency in 1943 as against 5.10 cents in 1942)

Brazil's international trade during 1943 showed very satisfactory results, especially when the abnormal conditions imposed by the war are taken into consideration.

With the exception of that for March, monthly trade balances throughout the year were favourable to Brazil. Export values ranged from a minimum of 451,005,000 cruzeiros in March to a maximum of 933,386,000 cruzeiros in July, and import values from 170,162,000 cruzeiros in January to 786,072,000 cruzeiros in March.

Despite the unfavourable trade balance in March, the first quarter of the year ended with a favourable balance of 297,269,000 cruzeiros; for the same period of 1942 the favourable balance was 353,423,000 cruzeiros. For the second quarter there was a favourable balance four times greater than that for the first quarter, amounting to 1,020,651,000 cruzeiros as against 1,090,469,000 cruzeiros for the same period of 1942. Thus, the favourable balance for the first half of the year was 1,317,920,000 cruzeiros, while for the same period of 1942 a figure of 1,443,892,000 cruzeiros was recorded.

Imports during the third quarter, owing largely to the improvement in shipping facilities, increased greatly and, although exports also increased, the favourable balance of trade for this period decreased to 744,221,000 cruzeiros, which, however, was greater than the 633,747,000 cruzeiros recorded for the same period of 1942.

Imports continued to increase, and the favourable balance of trade for the last quarter showed a further reduction to 593,100,000 cruzeiros, while for this period of 1942 the balance was 777,569,000 cruzeiros.

The favourable balance of trade recorded for the whole year was, therefore, 2,655,241,000 cruzeiros, or approximately \$135,151,767, somewhat less than that for 1942, when it was 2,855,208,000 cruzeiros, or approximately \$145,401,000.

Tonnage

Import volume in 1943, amounting to 3,302,000 tons, was slightly greater than in 1942, when the total tonnage was 3,003,044. Exports also showed a small increase, from 2,660,827 tons in 1942 to 2,696,089 tons in 1943.

Following are trade figures for the past five years:—

Brazilian Imports and Exports

	Imports Metric Tons	Exports Tons
1939.....	4,874,000	4,183,042
1940.....	4,441,000	3,236,916
1941.....	4,049,338	3,535,557
1942.....	3,003,044	2,660,827
1943.....	3,302,000	2,696,089

Average Price Per Ton

The average price per ton, in Brazilian currency, for both imports and exports, which has been increasing for the last five years, showed a further increase in 1943. The import price varied from a minimum of 855 cruzeiros in February to a maximum of 2,449 cruzeiros in March, while the average for the whole year was 1,839 cruzeiros as against 1,544 cruzeiros in 1942. The export value per ton in 1943 ranged from a minimum of 2,600 cruzeiros in August to a maximum of 3,802 cruzeiros in April. The average price for the year was 3,237 cruzeiros, which compares very favourably with 2,818 cruzeiros obtained in 1942.

The increase in the average import price in 1943 as compared with 1942 amounts to 295 cruzeiros, while for exports the increase is 419 cruzeiros. This becomes more significant when it is remembered that import values are c.i.f. and include the substantial increases in freight and insurance rates, whereas the export figures are f.o.b. From this it may be deduced that Brazilian export values have increased far more in comparison with import values than is indicated by the figures.

Dollar values for both imports and exports increased also, from \$80 in 1942 to \$93 in 1943 for the former and from \$144 to \$164 for the latter.

The following table shows the figures for the past five years:—

Average Price in Dollars Per Ton

	Imports	Exports
1939.....	55	73
1940.....	58	81
1941.....	69	101
1942.....	80	144
1943.....	93	164

Currency Value of International Trade

An all-time high record was achieved in 1943 when the total value of Brazil's international trade reached 14,801,897, 000 cruzeiros. This was an increase of 2,657,993,000 cruzeiros over the 1942 total of 12,143,904,000 cruzeiros. At present rates of exchange this represents in United States currency \$753,416,557 in 1943 as against \$619,089,000 in 1942.

The value of imports increased from 4,644,000,000 cruzeiros (\$236,844,000) in 1942 to 6,073,000,000 cruzeiros (\$309,132,395) in 1943, while export values increased from 7,499,000,000 cruzeiros (\$382,245,000) to 8,728,000,000 cruzeiros (\$444,284,163). Both import and export values, along with total trade, established an all-time high record.

Exports

The volume of Brazil's exports during 1943 was 2,696,089 tons valued at 8,728,000,000 cruzeiros as against 2,660,827 tons valued at 7,499,000,000 cruzeiros in 1942. In 1939 the value of exports was 5,615,519,000 cruzeiros, decreasing to 4,961,518,000 cruzeiros in 1940. In 1941 the value increased to 6,725,401,000 cruzeiros, followed by a further increase in 1942 to 7,499,556,000 cruzeiros, which until then was a record but was exceeded by the 1,229,000,000 cruzeiros recorded for 1943.

Brazilian exports are grouped in four classes: I—Live stock; II—Raw Material; III—Foodstuffs and Fodder; IV—Manufactured Articles. Class III, foodstuffs and fodder, has always been the most important of Brazil's exports, owing to shipments of coffee, the main Brazilian export product. Of a total of 2,696,089 tons exported in 1943 to a value of 7,499,556,000 cruzeiros, foodstuffs and fodder accounted for 1,083,326 tons valued at 4,016,594,000 cruzeiros as against 975,907 tons valued at 3,323,937,000 cruzeiros in 1942.

Coffee shipments in 1943 amounted to 10,111,817 bags valued at 2,802,734,000 cruzeiros as against 7,280,028 bags valued at 1,965,809,000 cruzeiros

in 1942. Frozen meat, cocoa beans, and rice were the other main foodstuffs shipped by Brazil in 1943.

Raw materials, in spite of showing a decrease both in tonnage and value from 1,620,428 tons and a value of 3,056,733,000 cruzeiros in 1942 to 1,546,721 tons valued at 2,993,825,000 cruzeiros in 1943, occupied second place. Hides and skins, rock crystal, pine lumber, carnauba wax, castor seeds, rubber and diamonds were the main items in this group.

Manufactured articles, showing an increase from 64,395 tons valued at 1,118,614,000 cruzeiros in 1942 to 65,856 tons valued at 1,717,840,000 cruzeiros in 1943, held third position. Cotton manufactures were the principal item in this group, there being exported 28,936 tons at a value of 1,200,643,000 cruzeiros as against 27,459 tons at a value of 837,720,000 cruzeiros in 1942.

Of the first class, live stock, only 186 tons valued at 310,000 cruzeiros, as against 97 tons at 186,000 cruzeiros in 1942, were exported.

The composition of Brazil's exports has changed considerably during the past ten years. In 1934 coffee was the principal export item, representing 61 per cent of the total value, followed by raw cotton (13.2 per cent), cocoa beans (3.8 per cent), and hides (2.7 per cent). That is to say, these four items accounted for 80.7 per cent of Brazil's exports. The remaining 19.3 per cent were made up of eleven other items, of which nine were foodstuffs. In 1943, although coffee continued to be the principal export item, it represented but 32.1 per cent of the exports, while cotton manufactures moved to second place with 12.6 per cent of the total.

Other products which did not appear among the fifteen main export items in 1934 are now in evidence, such as rock crystal, rubber, castor seeds, diamonds, tires, and inner tubes. But raw cotton is now in third position with only 4.7 per cent, while rice increased from 0.7 per cent in 1934 to 2.2 per cent in 1943.

Imports

Brazilian imports during 1943 amounted to 3,302,000 tons with a value of, 6,073,000,000 cruzeiros, a slight increase in tonnage and a greater increase in value over the 1942 figures, when 3,003,044 tons valued at 4,644,000,000 cruzeiros were imported. As in the case of exports, the import value is the highest yet recorded in Brazilian trade.

In 1939 the value of imports was 4,983,632,000 cruzeiros, decreasing slightly in 1940 to 4,964,149,000 cruzeiros. The value increased again in 1941 to 5,514,417,000 cruzeiros, to decline in 1942 to 4,644,348,000 cruzeiros. The value for 1943 is therefore 1,428,348,000 cruzeiros higher than that for 1942 and 2,089,696,000 cruzeiros higher than that for 1939.

Brazilian imports are under the same group headings as exports. Manufactured goods were the most important of the classes in 1943, with 471,349 tons valued at 3,147,039,000 cruzeiros being imported as against 306,934 tons and a value of 2,226,733,000 cruzeiros in 1942. The principal items of this class were, in order of value, machines and tools, manufactures of iron and steel, chemical and pharmaceutical products, paper and its products, and textiles.

Raw materials were second in importance, showing a small increase, from 1,665,090 tons valued at 1,598,620,000 cruzeiros in 1942 to 1,705,697 tons at a value of 1,857,972,000 cruzeiros. Gasoline, coal, fuel and Diesel oils, and wood-pulp were the most important products in this class.

Foodstuffs increased slightly in tonnage, from 1,021,731 tons in 1942 to 1,121,925 tons in 1943, but more in value, from 791,188,000 cruzeiros to 1,055,726,000 cruzeiros, and occupied third place. Wheat is still the most important product purchased by Brazil, imports increasing from 945,733 tons and 572,967,000 cruzeiros in 1942 to 1,042,601 tons and 772,904,000 cruzeiros in 1943. Beverages, fresh fruits, wheat flour, and malt were the other important items of this class.

Imports of live stock decreased from 18,289 tons valued at 27,807,000 cruzeiros in 1942 to 2,926 tons valued at 12,591,000 cruzeiros.

The make-up of imports has not changed greatly during the past ten years. In 1934 machines and tools were the most important item imported, accounting for 15.9 per cent of the total value of imports, followed by wheat (10.2 per cent), iron and steel (8.7 per cent), and chemical and pharmaceutical products (5.4 per cent). Fuel products represented 11 per cent; coal, 3.6 per cent; gasoline, 3.5 per cent; fuel oil, 2 per cent; and kerosene, 1.9 per cent. In 1943, while machines and tools continued in first place with 13.7 per cent and wheat with 12.7 per cent, iron and steel did not appear among the fifteen most important import products. Fuel amounted to 10.4 per cent, to which percentage gasoline contributed 3.8; coal, 3.4; and fuel oils, 3.2.

Nations Trading With Brazil

As a consequence of the war, Brazil's international trade has been to a great extent confined to countries of the Americas and Africa. Trade with Asia has been practically negligible, as only small shipments, amounting to 0.11 per cent of the total value of Brazilian exports and 0.62 per cent of the total value of imports, are recorded for 1943.

It is noteworthy that trade is being built up between Brazil and African countries, especially South Africa and the Belgian Congo. South Africa is at present the most important purchaser of Brazilian textile goods, having in 1943 bought 45 per cent of the total value of the exports of this item, while the Belgian Congo occupied third position among purchasers with 9 per cent of the total.

Total shipments from Brazil to Africa showed a decrease in volume from 42,239 tons in 1942 to 38,072 tons in 1943, but increased considerably in value, from 262,439,000 cruzeiros to 870,025,000 cruzeiros.

European countries bought 20.20 per cent of the total value of Brazil's ex-

ports in 1943 as against 27.66 per cent in 1942. A slight increase was recorded in tonnage, from 735,909 tons in 1942 to 761,677 tons, while value decreased from 1,951,246,000 cruzeiros to 1,762,879,000 cruzeiros. Great Britain, despite wartime difficulties, increased its purchases of Brazilian goods from 534,586 tons in 1942 to 644,499 tons in 1943, there being, however, a slight decrease in value, from 1,232,961,000 cruzeiros to 1,231,304,000 cruzeiros.

Great Britain was Brazil's second best buyer, taking 14.11 per cent of the total value of exports. The principal Brazilian goods shipped to Great Britain were: preserved meat, rice, meat extract, cottonseed oil, frozen meat, coffee, hides and skins, crystal, and raw cotton. Purchases by other European countries, such as Spain, Portugal, Ireland, Sweden and Switzerland, were small.

The largest part of Brazilian trade was done with North, Central, and South American countries, which bought 70 per cent of the total value of Brazilian exports in 1943, the same percentage as in 1942.

The United States continues to be Brazil's best customer, with purchases amounting to approximately 52 per cent of the total value of Brazilian exports as against 47 per cent in 1942. Exports to the United States increased in tonnage from 1,071,119 tons in 1942 to 1,232,537 tons in 1943 and in value from 3,421,571,000 cruzeiros to 4,419,676,000 cruzeiros.

Canada's purchases from Brazil, however, decreased considerably in tonnage, from 2.50 per cent in 1942 to 0.56 per cent in 1943, and in value from 0.56 per cent to 0.44 per cent. This, however, may not be a real decrease, since, through agreements between the three countries, Canada is receiving certain Brazilian products from the United States.

Brazil's trade with South American countries declined both in tonnage and value, from 27.52 per cent and 23.10 per cent to 23.81 per cent and 18.03 per cent respectively.

Shipments from Brazil to Argentina, which country occupied third place among purchasers of Brazil's products, likewise decreased in tonnage from 20.09 per cent in 1942 to 17.65 per cent in 1943, and in value from 13.24 per cent to 9.18 per cent. Chile, which in 1943 was sixth among Brazil's most important customers, also showed a decrease in purchases, from 1.08 per cent in 1942 to 1.01 per cent in 1943 in tonnage and from 2.49 per cent to 2.26 per cent in value. Purchases by the other South American countries also fell off.

About 88 per cent of the total value of Brazil's imports in 1943, which were valued at more than 8,000,000,000 cruzeiros, were supplied by North, Central, and South American countries, the United States alone having sold to Brazil 54.50 per cent of this amount as against 53.66 per cent in 1942. Canadian sales, which had decreased in 1942, showed an increase from 1.33 per cent to 1.35 per cent. A further increase was recorded for shipments from Argentina to Brazil, from 16.94 per cent to 18.07 per cent, wheat being the most important product purchased from Argentina. Brazilian purchases from other South American countries, however, decreased in 1943 as compared with 1942, with the exception of Venezuela, shipments from that country increasing slightly, from 0.60 per cent to 1.96 per cent. Peru and Ecuador also showed small increases.

The value of shipments from Europe to Brazil decreased from 617,071,000

cruzeiros to 602,499,000 cruzeiros. This represents 9.92 per cent of the total value of imports in 1943 as against 13.29 per cent in 1942. Purchases from Great Britain increased from 5.80 per cent to 7.20 per cent of the total value of imports; Portugal, 1.92 per cent; Switzerland, 0.63 per cent; Spain, 0.13 per cent; and Ireland, 0.03 per cent, were the other European suppliers.

Brazilian imports from Africa increased from 0.73 per cent in 1942 to 1.82 per cent in 1943, of which South Africa supplied 1.20 per cent. Asia supplied less than 1 per cent of the total value of Brazilian purchases in 1943 as against 1.67 per cent in 1942.

Trade With Canada

Trade between Brazil and Canada, which declined in 1942, both in tonnage and value, showed a further decrease in tonnage from 82,000 tons in 1942 to 48,000 tons in 1943, but increased in value from 103,976,000 cruzeiros (U.S. \$5,302,776) to 120,452,000 cruzeiros (U.S. \$6,131,000).

Canada's purchases from Brazil declined greatly in volume, from 66,406 tons in 1942 to 15,000 tons in 1943, the decrease in value, however, being only from 42,070,000 cruzeiros (U.S. \$2,155,570) to 38,673,000 cruzeiros (U.S. \$1,968,455).

Brazil's imports from Canada, which had shown a decrease in 1942 both in tonnage and value, recorded a considerable increase in 1943, from 16,602 tons to 32,834 tons and from 61,906,000 cruzeiros (U.S. \$3,147,206) to 81,779,000 cruzeiros (U.S. \$4,162,551).

BUSINESS CONDITIONS IN CUBA

By J. L. MUTTER, *Canadian Trade Commissioner at Havana*

Economic conditions in Cuba during the first half of 1944 continued the favourable trend which was evident throughout 1943, stimulated by the early grinding of one of the largest sugar crops in Cuba's history (5,000,000 long tons). The "zafra", or grinding season, began on January 2 with 158 mills in operation, and finished at

the end of May. The money thus put into circulation was reflected in the maintenance of business activities at high levels. Strong local and overseas demand for leaf tobacco and tobacco products brought improved conditions to the tobacco industry, and there was a further expansion of the boom in building construction, both

private and public, throughout the Island.

Unusually dry weather during the six-month period produced virtual drought conditions in many areas, and resulted in serious shortages of beef and dairy products. These in turn placed a heavy demand upon supplies of fish, poultry, pork and mutton, prices for which advanced appreciably. At one stage the milk scarcity was acute, while cheese and butter were obtainable in limited quantities only.

An unfavourable development in the economic situation was the sharp increase in inflationary tendencies, marked by violations of price ceilings and agitation for wage increases, much of which was successful.

In the political sphere the highlight of the period was the general election which took place on June 1. Campaign activities, which reached their peak during May, caused a lull in business expansion and a slight decline in the volume of retail trade. These, however, were purely temporary in nature, and commerce and industry generally has resumed its pre-election tempo save for seasonal slow-downs in some agricultural industries.

Sugar

Negotiations for the sale of 1944-crop Cuban sugar culminated in a contract signed in Washington in September, 1943, covering the purchase by the Commodity Credit Corporation of the United States of a minimum of 4,000,000 short tons of sugar at 2.65 cents per pound f.o.b. Cuba, the same price as applied to the sale of the two previous years' crops. Subsequently in January of this year, a contract was signed by which Cuba agreed to produce, in the form of invert molasses, for the Defence Supplies Corporation, 800,000 tons of the sugar being purchased by the United States, at a price of 2.50 cents per pound of sugar content.

The 1944 Cuban sugar crop was officially fixed at a minimum of 4,827,396 short tons (including invert molasses), and it was generally estimated that at least 5,679,000 short tons

(5,000,000 Spanish tons) would be produced. Production began on January 2, with 158 mills grinding. As of January 1, 1944, the carryover of 1943-crop sugar in Cuba was 642,000 tons.

Arrangements for the sale of final, or blackstrap, molasses were concluded in February, and on April 1, a contract was signed whereby the United States Government (Defence Supplies Corporation) bought from Cuba, at 2.50 cents per pound of sugar content, a minimum of 65,000,000 gallons of blackstrap molasses and any additional blackstrap molasses which might be available in Cuba from the 1943 and 1944 crops, subject to the following limitations:—

- (a) The reservation, by Cuba, of 85,000,000 gallons of blackstrap molasses for the production of alcohol for local consumption.
- (b) Blackstrap molasses required to produce beverage alcohol for export from Cuba to the United States during 1944, not to exceed 7,500,000 gallons of 150 proof alcohol.
- (c) Blackstrap molasses to be used in the production of 12,500,000 gallons of industrial alcohol (190 proof United States standard), which the United States agreed to purchase at 65 cents per gallon f.o.b. Cuba.
- (d) Blackstrap molasses necessary for the maintenance of normal stocks and inventories of Cuban distilleries, not to exceed 15,000,000 gallons of blackstrap.

By the terms of this contract, all blackstrap molasses available, not subject to the above reservations, as well as any unused portions of reserved molasses, were to be sold by Cuba to the United States in the form of blackstrap or industrial alcohol, except that the industrial alcohol mentioned under item (c) was not thereby to be increased above a total of 20,000,000 gallons. It was estimated that 1944 blackstrap molasses production would amount to not less than 200,000,000 gallons.

Final figures relating to the sugar production of Cuba in 1944 show that total production was 4,976,243 long Spanish tons (2,240 pounds), of which 793,527 tons represented 219,008,201 gallons of invert high-test molasses.

Local sugar circles estimate that the 1945 crop will be at least half a million long tons less than the 1944 crop, due mainly to fertilizer shortage, and there is considerable speculation as to the price at which it will be sold to the United States. Problems now confronting the industry, and the representative delegation which began negotiations for the sale of the 1945 crop in Washington at the beginning of this month, include the question of price; whether more than one crop shall be sold at this stage; whether the transaction should include alcohol and molasses; and what portion, if any, of the 1945 crop shall be segregated from sale to the United States, thus permitting Cuba to renew trade with other world markets.

Cuban producers point, on the one hand, to the fact that the past three crops have been sold at 2.65 cents per pound f.o.b., the equivalent of the ceiling price established by the United States Office of Price Administration in July, 1941, and, on the other, to the sharp rise in production costs which has taken place since then and the present low standard of living among workers in the Cuban sugar industry. One Cuban proposal urging a higher price for sugar suggests that the United States and Cuba should enter into a five-year contract instead of the customary contract for one crop only.

It is understood, however, that the present discussions are concerned, principally at any rate, with the 1945 crop, although the 1946 crop has also been mentioned in this connection. There is no evidence as yet to indicate to what extent it has been possible to reconcile Cuban and United States ideas as to price, and there is a substantial difference, with the Cuban objective reported to be a minimum price of 3.40 cents per pound f.o.b. ports as against the rumoured United States offer of 2.65 cents.

Tobacco

According to statistics released during the six-month period January-June, 1944, Cuba's production of tobacco in 1943 totalled 41,053,523 pounds as compared with 50,675,457 pounds in 1942, while exports were as indicated in the following table:—

Cuban Exports of Tobacco

		1943	1942
Leaf tobacco...	..Lbs.	33,949,360	26,852,191
Cigars...	...Units	65,918,463	17,818,011
Cigarettes...	...Units	26,659,959	40,477,656
Total value...	...\$	28,051,024	15,768,702

The average export price obtained for leaf tobacco during 1943 was \$66.22 per 100 pounds higher than at any time during the previous six years. The average export price for cigarettes, at \$3.55 per 1,000, was also higher than at any time since 1937. The export price for cigars, however, averaged \$82.59 per 1,000 as compared with \$86.11 in 1942 and \$100.74 in 1939.

Exports during the period January-June, 1944, were valued at \$19,920,770 as compared with \$11,416,324 in the corresponding period of 1943, an increase of 74 per cent. Mainly responsible for the rise in value was an increase in cigar exports of 286 per cent. Exports of tobacco in the leaf declined by 22 per cent, but the quantity of cigarettes shipped abroad was doubled.

Imports and Exports

The publication of foreign trade statistics, suspended for security reasons since December, 1941, when Cuba entered the war against the Axis powers, has lately been resumed with the release during the period under review of general tables showing the values of exports and imports by countries of destination and origin and by commodity groups for the calendar years 1942 and 1943.

According to these, exports in 1943 totalled in value \$350,622,767 as compared with \$182,375,414 in 1942, an increase of 92 per cent. Of the total exports in 1943, the United States took nearly 85 per cent, the other principal purchasers, in order of importance by value, being the United Kingdom,

Canada, Switzerland, Argentina, Spain, and Mexico.

Imports during 1943 amounted in value to \$177,436,346 (\$146,737,569 in 1942), the United States supplying 78 per cent of the total. The other principal suppliers, by value, were Argentina, Ecuador, Mexico, British India, the United Kingdom, Chile, Dutch West Indies, Canada, and Spain.

Cuba's purchases from Canada are shown as \$1,736,526 (\$1,311,813 in 1942). Sales to Canada were valued at \$4,797,554 (\$4,294,450).

Of total exports in 1943 valued at \$350,622,767, sugar and cane products represented \$280,412,480, and leaf and manufactured tobacco accounted for \$28,063,628.

Cuban exports during the period January-April, 1944, were valued at \$138,758,115; exports for the corresponding period of 1943 amounted to \$75,581,186. Imports into Cuba during the first four months of 1944 and 1943 respectively, were valued at \$66,757,085 and \$64,366,299. On a tonnage basis, monthly exports from Cuba during 1944 have also been considerably heavier than in 1943. March, 1944, export tonnage, for instance, was double that for March, 1943, while April tonnage was three times that of the previous April. Sugar and molasses accounted for approximately 85 per cent of export shipments during these months, chrome and manganese ores for 10 per cent, and sugar syrups, concentrates, tobacco and pineapples for the remainder.

Business Indices

Tourists visiting Cuba in 1943 numbered 14,814 and spent an estimated \$1,788,050; corresponding figures for 1942 were 21,235 and \$2,697,400. These totals represent a mere trickle as compared with tourist traffic during the period 1936-41, when the annual average number of persons visiting the Republic was 150,000, spending from \$14 to \$15 millions. The Corporación Nacional de Turismo however looks forward to a marked expansion of this business in the post-war period, as it is expected that for some time to come tourists who might otherwise cross the

Atlantic will find more attractions in the Latin American Republics, which will be linked to North America by more numerous and frequent air services than at present.

The volume of merchandise sales for the period January-June, 1944, based on gross sales tax revenue returns, was estimated at \$561,919,000 as compared with \$475,559,000 for the corresponding half-year of 1943. Building permits issued during the six months represented a value of \$10,732,048, slightly more than twice the figure for January-June, 1943. Bank clearings during January-June, 1944, were \$686,847,968 as against \$503,099,602 for the first six months of 1943, an increase of 36 per cent. Deposits received in the same period totalled \$2,469,100,307 (\$1,785,571,364 for January-June, 1943) and cheques paid totalled \$2,343,357,749 as against \$1,748,424,851.

Currency in circulation at the end of June, 1944, stood at \$207,792,287 as compared with \$138,459,507 at that date in the previous year.

During the first six months of this year general government revenues increased by 34 per cent as compared with 1943—from \$49,479,953 to \$66,383,349. Special public works fund collections, at \$5,962,047 for the first six months of 1944, represented an increase of 14 per cent over the figure of \$5,207,610 for the first half of 1943. Customs house collections, amounting to \$9,749,887, showed a decline of 0.4 per cent from the 1943 half-year total of \$9,797,816. Miscellaneous internal revenues also showed a slight drop—\$22,174,456 as against \$22,292,530.

Salaries and wages paid (based on revenues of the Health and Maternity Fund) during January-June, 1944, totalled \$146,769,300 as compared with \$117,359,000 for the corresponding period of 1943.

According to the United States Treasury Department, investments of North American capital in Cuba at the beginning of 1944 totalled \$614,406,658. Total British investments in Cuba at the same time were estimated to be £26,943,905, of which all but £731,000 was in railways.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 101, effective October 18, 1944, Group 4, of the Schedule of Commodities is amended with respect to books, which, if printed prior to January 1, 1944, or if valued at \$50 or less, regardless of the date of printing, are henceforth exempted from the requirement of an export permit when shipped from Canada to parts of the British Empire or to the United States.

Note.—In order to make shipments in accordance with this amendment, exporters are required to certify, on the face of the accompanying Canadian Customs Export Entry Form B.13, the date on which the books to be exported were printed. Collectors of Customs are instructed to check for this certificate and, if in doubt, to examine the shipment.

United Kingdom

AMENDMENTS TO REGULATIONS FOR SALE OF FLOUR

Mr. J. A. Langley, Canadian Trade Commissioner in London, writes that by an Order which came into force on October 1, 1944, two amendments are made to the regulations governing the sale of flour in the United Kingdom. These amendments provide for a decrease in the rate of extraction of "national" flour produced in the United Kingdom from 85 per cent to 82½ per cent and an increase of 1s. 9d. per sack of 280 lb. in the price of flour sold by millers, flour importers and flour factors. The increased price does not apply to sales of semolina and high-ratio cake flour produced in the United Kingdom, nor does it affect export or maximum retail prices.

The Minister of Food, explaining the new Order, states:—

"The object of the reduction of the extraction rate of flour is to improve our national bread. This is already a first-class loaf, thanks to the co-operation of the millers and the bakers. The present alteration in the extraction rate will reduce the amount of bran—that is, fibre—while retaining the bulk of the wheat germ. This measure will in due course have the result of producing a whiter and better quality loaf with no appreciable loss of nutritional value. The improvement has only now become possible as the result of research and experiment in milling technique and I have been able to adopt it because the ships are now available to import the necessary additional wheat.

"The reduction of the extraction rate will result in the production of additional feeding-stuffs in the form of millers' by-products. The increased supplies will, like the existing output, be brought to account in the feeding-stuffs ration pool, out of which the distribution of rationed animal feeding-stuffs is made. In anticipation of these extra supplies, certain adjustments in ration issues have already been made and others that may become possible will be announced later.

"It will be noticed that the increase of price in the Order applies to transactions by controlled millers and importers and by factors operating under Ministry licences. In these circumstances the extra price will of course accrue to the Government and will amount to a reduction of the subsidy on flour paid out of public funds. The increase will not be added to the price of bread, because bakers will receive a compensating increase of their bread subsidy."

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 16, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 16, 1944, and for the week ending Tuesday, October 10, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 10	Nominal Quotations in Montreal Week ending Oct. 16	Official Bank Rate
Great Britain... ..Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... ..Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... ..Peso	.4985	.2284	.2284	4
Jamaica... ..Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies.Dollar	1.0138	.9313	.9313	—
Argentina... ..Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2761	.2757	—
Brazil... ..Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0575	—
British Guiana... ..Dollar	1.0138	.9313	.9313	—
Chile... ..Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... ..Peso	.9733	.6358	.6358	4
Venezuela... ..Bolivar	.1930	.3330	.3330	—
Uruguay... ..Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa... ..Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... ..Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... ..Rupee	.3650	.3359	.3359	3
Australia... ..Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... ..Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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UNITED KINGDOM SHIPPING POLICY

By FREDERIC HUDD, *Chief Canadian Trade Commissioner in the United Kingdom*

The General Council of British Shipping has submitted to the Government a report recommending general principles for the re-establishment of an adequate and efficient merchant marine after the war.

The Council states that the exigency of war has upset the balance of world ownership and the balance of type has been destroyed. The tonnage possessed by the United Kingdom to-day is no measure of an effective marine, because different trades and cargoes require different types of ships. The replacement of all types lost during the war has been largely uniform—the 10,000-tonner. In a commercially competitive world, however, it would be unprofitable to use vessels of this tonnage on trades which call for vessels of a smaller size or as permanent substitutes for liner tonnage, which are

normally of varying design adapted to particular trades.

When hostilities cease the Council foresees that the United Kingdom will require all the shipping it possesses, if services are to be restored. That is an immediate requirement which does not fit in with long-term needs. Success in carrying the British share of world trade will not, in the long run, be achieved unless the right ships are available. Indeed, to contemplate the permanent operation of a large volume of war-built vessels would invite disaster both for the marine and the shipyards.

Necessity of Building New Tonnage

Two policies thus emerge: a short-term and a long-term, which do not mesh. However, both should in the

Invest in Victory—Buy Victory Bonds!

opinion of the Council be followed if an adequate and efficient marine is to be restored. In saying this it is assumed that international trade will be expanded and developed. Although the policy of sterilizing unsuitable surplus ships may appear extravagant, the price may be cheap if, by that policy and by building the right types of new ships, an efficient marine can be built up and unemployment in the shipping and shipbuilding industry avoided.

The Council expresses the view that the ordered construction of selected types should be begun as soon as possible and thus ensure that the United Kingdom can, as far as possible and of its own right, bring the necessary food and raw material to this country and at the same time restore the part played by shipping in the national economy, a part which is rendered all the more vital by the depletion of the nation's foreign investments.

Formation of Reserves

According to the Council, it is beyond the resources of the shipping industry to finance both policies; nor does it think that it would be just to ask the industry to clear up a situation which has been created by war and which should be regarded as part of the cost of war.

Each country has made a contribution which can best help the prosecution of the war. In great measure, merchant ships have been by arrangement produced in the United States, for the colossal output of which admiration and thanks are tendered; while a large part of the United Kingdom's contribution has been devoted to the production of convoy escorts and other naval craft. Other governments have built ships and all government wartime construction should, the Council states, be regarded as a single problem. In addition, many of the surviving vessels in private ownership are

worn out and require replacement by modern tonnage at an early date.

The solution which the Council submits as offering the best hope of success is for the governments concerned to recognize that war has upset the economy of shipowning and created a surplus in some types and a shortage in others, and that the surplus ships are not effective substitutes for the shortage. It is recommended that the surplus be divided into two classes and labelled A, strategic or break-up reserve, and B, commercial reserve; the A reserve to take off the market those ships which are or become surplus, the B reserve to be formed of those ships which from their quality and expectation of employment would be regarded as marginal tonnage. At the present time no one can foretell the volume of international trade and so the final adjustment must be deferred.

International Co-operation

The Council declares that unless and until a policy for the effective disposal of surplus tonnage is determined there can be no post-war future for British shipping and therefore no policy for its reconstruction and maintenance. Assuming, however, that the problem of surplus tonnage is dealt with on the above lines, this by itself will not necessarily secure an industry which can provide good and continuous employment for its personnel. There will be required a number of additional measures of reconstruction and organization. Some of these can only be achieved by international co-operation; others are purely national in scope and require the co-operation of the United Kingdom Government.

The Council proposes, so far as measures requiring international co-operation are concerned, that when the Allied governments have announced their policy regarding surplus war-built ships, a meeting of the Interna-

tional Shipping Conference should be called to discuss the future organization of shipping on a basis of private enterprise and free competition, subject to reasonable agreement to keep freights on an economic level and the

supply of tonnage adjusted to meet demand, both of which are a necessary condition for the avoidance of future depressions in both shipping and shipbuilding.

London, October 5, 1944

SOUTH AFRICAN PURCHASES OF MINES STORES IN 1943

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

The annual official returns showing stores purchased in 1943 by the South African mining industry have now been made public by the South African Department of Mines. These purchases totalled £31,759,741, a decrease of £3,054,054 from the value for 1942. The gold mines accounted for £27,620,496, or nearly 87 per cent of the total. The greater part of the decrease from the 1942 figure is in the purchases by the gold mines, which amounted to £31,635,484 in the previous year. The coal mines increased their expenditure on stores from £1,782,301 in 1942 to £1,868,455, thus reflecting the continued demand for coal, especially for export. The diamond mines, which have been largely inactive, also showed an increase, from £79,929 in 1942 to £130,714. Other mines, mainly non-ferrous metals, showed a slight decrease in stores purchases, which amounted to £1,290,975 in 1943 as compared with £1,316,081 in the previous year.

Table No. 1 shows the comparative aggregate purchases of stores for each of the main types of mines in each province of the Union of South Africa.

Purchases of South African Supplies

The development of industry in South Africa and the continued restriction on the importation of supplies is indicated by the fact that 82 per cent of total mines stores purchased in 1943 were of South African (including some Rhodesian) products, which accounted for £25,355,748 of the total. On the other hand, the decrease in total purchases affected the purchase of South African products, because in 1942 the total value of such purchases was £27,149,412. The value of imported stores purchased in 1943 was £5,554,792 as compared with £6,780,374 in the previous year.

Principal Stores Purchased

Table No. 2, compiled from the official returns, gives details of the stores purchased by all the principal mines in South Africa in 1943 but does not include purchases by small mines, which aggregated £849,201; the table shows the amounts of South African stores, imported stores, and the total for each item.

TABLE No. 1

Stores Purchases by South African Mines in 1943

	Gold	Diamond	Coal	Other	Totals
Transvaal	£27,620,496	£ 13,510	£1,097,016	£ 854,729	£29,585,751
Cape Province . . . . .	.....	113,520	.....	436,146	549,666
Orange Free State. . . . .	.....	3,684	170,996	.....	174,680
Natal . . . . .	.....	.....	600,443	.....	600,443
Totals:					
1943.	27,620,496	130,714	1,868,455	1,290,975	30,910,540
1942.	31,635,484	79,929	1,782,301	1,316,081	34,813,795
1941.	35,015,306	103,161	1,743,302	1,123,321	37,985,090
1940.	33,295,841	148,623	1,533,975	938,139	35,916,578
1939.	31,941,921	264,763	1,556,465	800,460	34,563,609
17329—1½					

TABLE No. 2

Values of Items Purchased by South African Mines in 1943

	South African Values in	Imported South African Pounds	Total
Bags, canvas and jute	16,989	30,827	47,816
Beltting (including laces, etc.)	80,343	38,963	119,306
Boiler fluid	13,930	1,998	15,928
Brake linings	18	6,459	6,477
Bricks, tiles and fireclay	91,693	2,741	94,434
Brushware	21,838	4,063	25,901
Buckets (excluding sanitary)	1,655	894	2,549
Building material	29,802	8,643	38,445
Candles	51,147	.....	51,147
Carbide	296,476	.....	296,476
Castings—			
Brass	40,135	399	40,534
Iron	124,624	.....	124,624
Aluminium, copper, etc.	4,938	.....	4,938
Cement—			
Bags	250,614	.....	250,614
Casks	9	.....	9
Fire, quicksetting, etc.	7,155	4,178	11,333
Charcoal	1,921	.....	1,921
Chemicals—			
Assay and smelting	83,665	57,310	140,975
Cyanide, liquid	56,936	.....	56,936
Cyanide, solid	298,572	381,542	680,114
Soda	24,669	19,951	44,620
All other	78,699	47,150	125,849
Cloth, canvas, etc.	29,851	42,483	72,334
Clothing	180,348	18,516	198,864
Coal-cutting machines . . . . .	.....	18,634	18,634
Coal-cutting machine spares	7,624	36,665	44,289
Coal—			
Smithy	32,572	.....	32,572
Steam	1,101,795	.....	1,101,795
Other (including duff and dross)	292,973	.....	292,973
Coke	18,556	.....	18,556
Concrete blocks, etc.	16,732	.....	16,732
Corduroy	223	23,818	24,041
Electric machinery	239,416	644,506	883,922
Electric machinery: spares and fittings	91,235	90,888	182,123
Explosives—			
Blasting gelatine	4,706	.....	4,706
Gelignite, gelatine dynamite	1,477,635	.....	1,477,635
Dynamite and ligdyn	937,900	.....	937,900
"Permitted explosives"	41,751	.....	41,751
Detonators, excluding capped fuses	11,808	5	11,813
Electric detonators or fuses	35,013	1,533	36,546
Safety fuses, excluding capped fuses	23,373	31,466	54,839
Capped fuses	222,545	890,182	1,112,727
Lighting torches (tchisa sticks)	22,401	39	22,440
Fire appliances (including hosing, etc.)	1,326	4,187	5,513
Food, coffee, milk, etc. (supplied free to white employees)	28,983	9,183	38,166
Foods, etc. (supplied free to coloured employees)—			
Beans	260,286	.....	260,286
Bread (purchased)	303,609	.....	303,609
Dholl . . . . .	.....	287	287
Fish	20,888	.....	20,888
Flour	27,691	.....	27,691
Malt and cereals for beer	122,829	.....	122,829
Meal (mealie, Kaffir corn, etc.)	1,006,269	.....	1,006,269
Mealies (yhole), also samp, fanko and mealie rice	86,034	.....	86,034
Meat (excluding offal)	1,574,125	.....	1,574,125
Meat (offal)	122,001	.....	122,001
Peanuts (shelled)	64,843	.....	64,843
Peanuts (unshelled)	169	.....	169
Rice (imported) . . . . .	.....	13,831	13,831
Salt (other than for sanitation)	10,675	12	10,687
Sugar (white and brown)	93,413	.....	93,413
Vegetables	244,014	.....	244,014
Groceries, coffee, milk, oil, ghee, and sundry other foods	90,963	28,333	119,296

Values of Items Purchased by South African Mines in 1943—Con.

	South African Values in South African Pounds	Imported	Total
Foundry requisites	2,854	210	3,064
Furniture	6,150	2,414	8,564
Glass	626	2,602	3,228
Hose fittings (excluding fire-hose fittings)	67,429	1,568	68,997
Hosing (all except fire hose)	103,596	2,293	105,889
Hospital and ambulance requisites	46,921	107,395	154,316
Instruments	3,831	12,076	15,917
Iron—			
Bar	53,359	11,283	64,642
Galvanized	12,787	1,418	14,205
Sheet	5,845	25	5,870
Pig	3,209	.....	3,209
Hoop	206	1,407	1,613
Grizzlies and fire bars (if iron)	6,869	26	6,895
Ironmongery—			
Bolts, nuts, washers and rivets	131,810	37,264	169,074
Screws and nails	25,077	12,073	37,150
Locks, hinges, staples, chains	30,260	13,001	43,261
Other	18,941	18,314	37,255
Lamps and spares (other than electric)	66,991	18,743	85,734
Lead—			
Pig	1,156	76	1,132
Sheet	136	210	346
Leather	1,135	341	1,476
Lime—			
White	347,568	.....	347,568
Blue	5,806	.....	5,806
Lubricants—			
Oils, motor	174	16,773	16,947
Oils, other	13,165	230,147	243,312
Greases and tallow	117,381	70,657	188,038
Lubricators	9,224	5,897	15,121
Machinery and machine tools	209,782	385,788	595,570
Machinery spares, other than electric	598,108	296,857	894,965
Mercury	15,618	10,267	25,885
Metals—			
Antifriction	11,685	27,225	38,910
Other	11,948	13,221	25,169
Motor-cycles, bicycles, etc.	1,293	1,921	3,214
Oils (other than lubricating)—			
Transformer and switch . . . . .	.....	8,477	8,477
Fuel	2,753	125,467	128,220
Other	5,075	18,635	23,710
Oxygen, acetylene and other welding requisites..	92,851	21,314	114,165
Packing	27,832	45,002	72,834
Paint, driers, etc. (excluding tar)	44,625	25,222	69,847
Paraffin . . . . .	.....	11,294	11,294
Petrol	6,033	62,581	68,614
Pipe fittings	104,237	119,799	224,036
Piping—			
Concrete and earthenware	12,776	6	12,782
Fabric (ventilation)	13,736	1,101	14,837
Galvanized iron (ventilation)	66,212	.....	66,212
Iron and steel	392,971	15,417	408,388
Copper	1	1,721	1,722
Rails, crossings, metal sleepers, and fittings	350,362	109,163	459,525
Reduction plant spares—			
Sorting and crushing	137,288	54,068	191,356
Stamp-mill			
Shoes and dies	65,419	.....	65,419
All other	49,051	10,369	59,420
Tube-mill			
Liners	342,618	.....	342,618
Steel balls	519,308	6,278	525,586
All other	56,673	2,414	59,087
Other	55,119	9,846	64,965
Rock drills	6,523	45,554	52,077
Rock-drill spares	457,792	172,960	630,752
Rollers, shafts, etc.	56,034	1,662	57,696

Values of Items Purchased by South African Mines in 1943—Con.

	South African Values	Imported in South African Pounds	Total
Ropes—			
Wire	573,422	4,497	577,919
Vegetable fibre	11,717	4,204	15,921
Rubber (valves, etc.)	8,920	2,537	11,457
Sand and stone	90,659	.....	90,659
Sanitary requisites	36,849	4,599	41,448
Screening (including mill screening)	31,778	9,666	41,444
Soap	18,450	174	18,624
Stable requisites—			
Fodder	65,026	22	65,048
Animals, vehicles, harness	14,294	1,720	16,014
Stationery and printing	131,860	33,464	165,324
Steel—			
Angle, bar, cast, shafting, tools, etc.	89,622	50,827	140,449
Sheet	158,061	68,600	226,661
Chutes	33,438	15	33,453
Hand drill	5,781	709	6,490
Rock drill	380,381	108,470	488,851
Rock drill bits	16,592	64,182	80,774
Structural	62,501	4,865	67,366
Other	23,654	511	24,165
Tamping	9,022	.....	9,022
Tar	19,983	328	20,311
Timber—			
Deals (Baltic) . . . . .	.....	11,670	11,670
Oregon . . . . .	.....	77,955	77,955
Pitch pine . . . . .	.....	111,738	111,738
Poles, lagging, and pack mats	1,896,149	.....	1,896,149
Wood fuel	6,521	.....	6,521
Other	470,120	82,690	552,810
Tools (hand)	107,281	131,168	238,449
Transport and railage	91,906	.....	91,906
Trucks and spares	277,489	35,123	312,612
Waste and sweat rags	28,916	2,592	31,508
Water (purchased)	380,404	.....	380,404
Wire—			
Fencing, netting, gates, and metal posts	6,012	4,456	10,468
Underground pack	1,319	3,899	5,218
Zinc and zinc discs	81,588	4,042	85,630
Zinc dust	32,273	63,090	95,363
Sundry articles, not specified above	118,857	37,451	156,308
Compressed air (purchased)	541,603	.....	541,603
Electric power and light (purchased)	4,314,668	.....	4,314,668
Totals	25,355,748	5,554,792	30,910,540

ELECTRICAL DEVELOPMENT IN IRELAND

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

One of the first major undertakings of the newly created Irish Government, when it took charge of the nation's resources in the early twenties, was to harness the waters of the River Shannon for the production of hydro-electric energy. The Shannon Scheme was commenced in 1925 and had reached completion in four years.

Prior to this the country had depended for its supply of current on that generated in local and privately owned plants, the chief fuels for which were imported coal and oil. Few places outside the cities and large

towns had any electricity whatever, and there was, of course, very little used for industrial purposes.

The rapidity of recent developments in this direction, interrupted only by the present world conflict, is indicative of the necessity for adequate electrical resources if Ireland is to implement the ambitious schemes which have been proposed for the period following the close of hostilities.

Electricity Supply Board

To facilitate the smooth working of the scheme, the Electricity Supply Act

was passed in 1927, so that provision for the organization, generation, transmission, and distribution of electrical power might be put on a sound economic basis. To this end a body termed the Electricity Supply Board was formed, which took over the work on the River Shannon. Since its inception the E.S.B. has acquired all the rural electrical plants of any size and controls almost entirely the supply and sale of current in Eire, which consequently is now a state monopoly.

The Board is not empowered to borrow money, Government sanction being required before capital may be obtained. In addition to providing for depreciation, the Board repays capital advances by means of sinking fund payments spread over a period of fifty years.

Location of Stations

After giving careful consideration to the lie and flow of the river, it was decided to build the Shannon power station at Ardnacrusha, Co. Clare. The contract was given to Messrs. Siemens-Schuckert, and construction was completed in October, 1929.

At first the high-voltage energy was only transmitted to the principal cities, such as Dublin, Cork, Galway, etc., but as progress permitted, other areas in between these centres were supplied. The Dublin generating station, (known as the Pigeon House), which operated on coal and was under the management of the City Corporation, was closed down when the Shannon Station began operations.

Output

The plant at Ardnacrusha has four turbo-alternators, each of 20,000 to 25,000 kw. Three of these turbines are of the Francis type, while the other, installed in 1933, is of the Kaplan type. The voltage generated is 10,500 and is stepped up to 38,000 and 110,000 volts and then passed over the transmission network at these high pressures.

The yearly output of this station, about 300,000 kwh, has been insufficient to meet requirements for some

time. Increased consumption has, of course, had to be discouraged during the last few years, when the impossibility of importing raw material or machinery has precluded an expansion in production. As a result many houses and other buildings have far less electrical installations than their owners or occupants desire, and there is a large market for electric kettles, heaters, irons and domestic gadgets of all sorts. At present 377 villages, towns, and cities, plus 18,290 buildings in scattered areas, are catered for by the national network, and 67 towns and villages depend upon private enterprise, while 378 villages and towns and a rural population of 1,682,247 are without electricity.

Other Schemes

Pigeon House Plant.—With the rapid growth in the demand for current, the load became too heavy at the Ardnacrusha plant, so the old coal-burning station (the Pigeon House) at Dublin was taken over by the Electricity Supply Board and had to be re-equipped and modernized for operation. The reconstruction of this plant was accomplished by stages between 1932 and 1939.

Four new steam turbo-alternator sets, each of 20,000 kw., were put in, bringing the total installed capacity up to 95,000 kw. The boiler plant consists mainly of units of normal output of 100,000 pounds per hour. At this station the former generating voltage (5,300) was maintained, and was then transformed to 38,000 volts and supplied by underground cables to the city and to the overhead transmission system.

River Liffey.—The two above-mentioned plants did not long suffice, owing to the demand for electrical energy from remote areas of the country, and a third and supplementary set-up, now nearing completion, was built on the River Liffey. This enterprise consists of two hydro-electric power-houses, one located at Poulaphouca, some 25 miles from Dublin, and the other at Golden Falls, one mile farther down the river

towards the city. Poulaphouca is equipped with two turbo-alternator sets, each of 15,000 kw., while the Golden Falls power-house has an installed capacity of 4,000 kw. The turbines used are of the Kaplan type.

It is estimated that the output of these Liffey stations in an average year would be about 30,000,000 units, and this plant will be used principally as a peak-load booster. The outstanding advantage of this centre is that it is possible there to store six months' rainfall, which will enable output to continue during the summer months, at a season when the productivity of the Shannon plant is very low.

Transmission System

Three voltages have been chosen for the transmission system, viz., 110,000, 38,000, and 10,000 volts. In 1928-29 the earlier 110 kw. lines were carried on narrow-base latticed steel masts and had a triangular conductor arrangement. It was found, however, that under blizzard conditions much damage was done conductors and masts. Consequently resort has now been had to wooden poles for this purpose, with gratifying results.

Very little insulation trouble due to fog, etc., has been experienced, owing to the relatively uniform temperature of the climate. Damage to overhead wires from lightning storms is also not great and does not justify the general use of protective devices. However, in some districts lightning arresters form part of the equipment. Canadian-made insulators are favourably regarded.

Transformers

The 110,000-volt transmission system feeds the 38,000-volt system through seven outside-type transformer stations. The principal and largest of these is situated in the outskirts of Dublin, with a capacity of 75,000 kw. Practically all the 38,000-volt stations, of which there are 93 at present, are of the indoor type, while the transformer remains in the open. At these centres the current is reduced to 10,000 volts

(5,000 volts in the case of Dublin City) and is fed into 10,000-volt overland lines to the various towns and villages.

Up-to-date low oil circuit-breakers (rupturing capacity 1,500 m.v.a.) are in use on the 110,000-volt system. Earlier transformers were of the forced-oil air-cooled variety, but the later ones are fitted with built-on radiators and air fans as well as load tap changing devices. The important 38,000-volt stations have duplicate transformers in order that no break in supply may occur in the case of fault in one unit.

Current Supply

Low-voltage mains, with the exception of those in the cities of Dublin and Cork, are mostly carried overhead on wooden poles. The voltage in Dublin city is 200/346, while that in all other districts is 220/380, supplied in both cases at 3 phase, 50 cycles, 4 wire. The neutral conductor along the whole route is multiple-earthed.

Bare aerial service wires are employed from the mains to insulators affixed to the consumer's building. From here to his indoor recording meter the current travels on two single-core rubber-insulated cables, double cotton covered with weatherproof protective compound. These wires are then attached direct by little wall clips to the interior of the house. This type of wiring is found to be inexpensive, handy to instal, enduring and reliable.

Consumption of Current

As evidence of the rapid and growing demand for electric current here, consumption, according to published statistics, stood at 450 million kwh. in 1941-42, or roughly 151 per capita of the population as compared with 20 in 1924. The total units produced in 1942 were: water-generated, 240 million; fuel-generated, 210 million. In 1930 these figures were 20 million and 40 million respectively.

At present about 1,190,000 people out of Eire's population of almost 3,000,000 have access to a source of supply of

current, while the remainder (approximately 60 per cent) yet to be served are chiefly scattered throughout the country in rural areas. The 450 million odd units produced in 1942 were sold under group headings (in millions) as follows: domestic use, 143; general lighting, 26; general heating, cooking, and water-heating, 38; motive power, 128; public lighting, 8; traction, 6; with losses given at 93.

Cost of Plant, Erection, Etc.

The approximate cost in connection with the erection, installation of machinery, and other necessary expenditure for the Shannon scheme amounted to £4,500,000. Practically all this sum went to Germany. The reorganization, plant addition, and replacements at the Pigeon House reached a figure of £1,100,000, a large proportion of the equipment coming from Britain. Poulaphouca, not yet completed, owing to the difficulty of securing machinery during war time, is estimated to cost £1,200,000, and has only one turbine working. Materials in the metals and machinery class for this latter venture came almost exclusively from Britain. Irish-produced cement was, of course, utilized throughout the structure.

Sale of Electrical Equipment

The Electricity Supply Board, having a monopoly of the sale of current in this country, has an effective organization to foster and encourage its wider use. With this object in view the Board maintains a chain of showrooms in the principal cities and towns, where in pre-war days a wide range of electrical goods was kept on display. However, wartime conditions have necessitated the introduction of a rationing scheme, which precludes all progress in this direction. The Board also employs a staff skilled in wiring, who carry out most of the large contracts for this work.

Before the war a considerable quantity of Canadian merchandise was stocked, consisting of electric cookers,

washing-machines, etc. The Board hires out electric stoves to householders, including one of Canadian manufacture. Stoves may be purchased outright, but the majority of users prefer to rent them, since they are guaranteed servicing at a moderate charge.

Up to the outbreak of hostilities German-made electrical lines were dumped on this market at low prices and consequently dominated sales, although Great Britain supplied an appreciable amount of this merchandise in a more expensive and better finished category. Large stocks of new and spare parts were always stocked by both German and British agents. In many cases these representatives had sub-agents who looked after their interests in the outlying districts.

The experience of this office in the past, with respect to the prospects for the sale of many household electrical goods of Canadian origin, was that the prices were in many cases from 10 to 20 per cent higher than those of competitive makes. Another factor militating against the sale of Canadian appliances is that, on account of the voltage difference, they have to be rewound especially for this market.

Rates at Which Electricity is Supplied

Although there are variations in the price scales and in matters of detail, the general system of electricity charges is substantially uniform in all centres served by the E.S.B.

Since it was desirable to encourage rapid development in the use of current in the early stages, before the demand had approached the potential capacity of the Shannon Power Station, and since it was at the same time necessary to secure an immediate revenue sufficient to cover adequately the relatively high fixed costs associated with the new works, the two-part type of tariff was from the beginning adopted to the greatest possible extent. This tariff consists essentially of a "fixed charge" independent of the actual consumption of electricity but

related to the Poor Law Valuation (rateable valuation) or floor area of the premises concerned, together with a low "unit charge" for the amount of current consumed.

The Board is thus assured of sufficient revenue to meet the fixed costs of the undertaking, while the small cost for energy actually consumed promotes increased usage. This scheme has the added advantage of reducing the number of recording apparatus required and so simplifying the wiring layout.

Private dwellings and shops are supplied through a single meter for lighting and general domestic purposes (such as cooking, space heating, radio and small appliances) on a two-part tariff. Shops pay on a rather higher scale of fixed charges than private houses, and the latter (as well as the family type of combined dwelling and shop) can secure a progressive reduction in price through a sliding scale of unit charges. This scale is not available to the lock-up business premises.

For all classes the scale in relation to the Poor Law Valuation is usually lower in the larger towns. This is partly because the general level of valuing is higher in the more densely populated areas, and partly because the capital costs involved in bringing the supply of current to such areas is relatively lower per head of population.

For rural consumers and small villages with a population of 250 or less there is a uniform scale of fixed charges based on the floor space. The net result of these modifications is to maintain the rates on premises of equal size at approximately the same levels, irrespective of the locality in which they are situated.

In the city of Dublin the two-part tariff system is limited to private houses, and in the city of Cork, which is next in size and importance, a modified form of this tariff has been introduced and is similarly restricted. Both cities presented special problems on account of their previous history and size, and in consequence current is

supplied generally under a series of flat rates with separate metering for lighting, heating, cooking, etc.

In all parts of the country a special low flat rate is available for water-heating to any consumer using storage apparatus equipped with thermostatic control.

For industrial motive power, supplies are available at flat rates which favour the urban user to some extent when consumption is small but which tend to become identical for large consumptions. Most of the major industrial concerns take supplies on the alternative "maximum demand" tariff, which comprises a fixed charge based on the recorded maximum demand plus a low unit rate per kwh. consumed. Subject to various conditions, cheap rates are available to industrial consumers in general for factory lighting, process and space heating, traction, battery charging, etc.

A middle class dwelling in a typical country town of, say, 2,500 population would carry a fixed charge of 18s. 11d. per two-monthly billing period. The unit rate would be 1½d. per kwh. for the first 60 kwh. consumed in this period, ¾d. for the next 300, and ½d. for all additional consumption. A separately metered supply for domestic water-heating would cost ½d. per kwh. for the first 360 kwh. used in the two months, and ¼d. per kwh. for all additional consumption.

Industrial motive power in the same town would cost 2½d. per kwh. for the first 1,666 kwh. used in the two-monthly billing period, 1½d. per kwh. for the next 666 kwh. and 1d. per kwh. for the excess. Factory lighting, chargeable on a sliding scale, would cost 6d. per kwh. for the first 1,000 units in the two months, unrestricted space heating 1½d. per kwh. and process heating ¾d. to ½d. per kwh.

To an industrial consumer choosing the alternative maximum demand rate the average price works out at just over 1d. per kwh. for a maximum demand of 100 kw. with a 25 per cent load factor.

The standard accounting period is two months. Since November, 1943, a temporary surcharge of 20 per cent has applied to all tariffs.

Future Expansion

Ireland's main electrical undertaking, the Shannon Scheme, had been in operation for ten years before the outbreak of war, and it was obvious that this station, even when its output had been brought up to maximum, would not be able to keep abreast of the national demand. The initial output from the Shannon was 151,000,000 units per annum. That figure was doubled in six years and trebled in a decade, and to-day the total output is in the neighbourhood of 450,000,000 units. Even at a conservative estimate, it is assumed that 900,000,000 units will not be ahead of national requirements in another decade, and that fresh sources of supply must be tapped.

Water Generating Stations

Hydrometric data has been collected on the Erne, the Boyne, and the Lee, as well as on a number of smaller rivers, and a number of plans will be ready for rapid implementation when the conditions now limiting development have disappeared.

A scheme for the utilization of the Erne—except for the Shannon, the largest potential source of hydro-electric power—has been prepared, and this river is expected to yield about 200 million units per annum.

Fuel Generating Stations

The topography of this country does not lend itself to large water storage for use in seasons of drought, and a reduction in output during dry spells must therefore be provided against. To fill this gap, fuel-burning stations are essential, and the use of turf for the generation of electricity is being considered.

In the opinion of a distinguished Irish engineer, the solution of Ireland's fuel and power problem lies in the conversion of turf into electric current

on the bog. This method is now being investigated, but the use of peat in this connection presents many interesting problems. Ireland is, however, fortunate in having available the experience of other countries, notably Russia, where successful experiments in this respect have been carried out.

The calorific value of turf is about half that of coal, and the former requires about twice the storage space. But with modern methods of winning and drying the turf and with specially designed plant, it is believed that the native fuel can be used in the generation of electricity with as high an efficiency as coal and at an economic rate.

The erection of one turf-burning station has already been decided upon. It is to be situated at Portarlington, adjoining the Clonsast bog, which is in process of mechanical exploitation by the Turf Development Board. It is estimated that the 120,000 tons of air-dried peat fuel of 30 per cent moisture which this plant will produce can be translated into 90,000,000 units of electricity per annum.

Post-war Market for Electrical Equipment

There will indubitably be a heavy demand for a wide range of electrical equipment in Eire when expansion becomes possible. The list of appliances needed is a lengthy one, but the situation can be summarized by saying that everything necessary, from the generator plant to the household utensil, will be readily purchased.

The production of many electrical lines not hitherto fabricated in this country is contemplated in the post-war period, first, to meet the domestic demand; secondly, to create employment for the thousands of nationals returning, after demobilization, from war industries and from the British forces; and thirdly, to put the country's economic system on a footing which will promise stability to the state and security to the individual.

Substantial supplies of raw materials will consequently have to be im-

ported, as few of the many needed products are indigenous. Stress may be laid on one item alone, viz.: wood poles. Formerly extra large European red fir poles for the 110-kv. lines were required, but this new electrification scheme will call for considerable numbers of smaller ones. In this category those ranging from 30 to 40 feet will be required. Prices for these, both

creosoted and uncreosoted, as well as particulars of the dimensions of the most economical sizes, will be sought by the Electricity Supply Board. They have in their possession technical data on the wood, but information on the general supply position would be welcomed, so that, when shipping to this country is resumed, no time will be lost in looking for contacts.

FOREIGN TRADE OF COLOMBIA

By M. T. STEWART, *Canadian Trade Commissioner at Bogota*

The official statistics of the trade of Colombia for the calendar year 1943, recently released, afford a basis for a review of the economic situation in the Republic during the twelve months, with particular reference to import and export trade.

The year 1943 was of exceptional interest, and what might have been a difficult period in the economic life of the Republic turned out to be quite favourable, and no undue hardship was experienced. Great anxiety was felt in the early months of the year as to the possibility of Colombia's obtaining sufficient supplies of various kinds from North America to keep the country's economy operating at a fairly high level. The extremely difficult shipping situation at the close of 1942, combined with indications of an unfavourable supply position in the United States, pointed towards an economic crisis but, fortunately, by mid-year the shipping crisis was practically past, and a consistent and reasonably satisfactory flow of necessary supplies was maintained.

However, the fear of a general shortage of imported products, combined with a large surplus of United States funds, which could not be diverted into the usual commercial channels, resulted in a strong inflationary tendency, with consequent profiteering and high prices for practically all imported products. The Colombian Government took action about the turn of the half-year which brought inflation more or less under control, and, as a result, in the

closing months of 1943 there was a much greater degree of stability in the economy of the country.

Indices of Activity

Commercial activity continued at an exceptionally high level during 1943. The value of cheques paid by the banks amounted to \$5,810,860,000 as against \$4,556,503,000 in 1942, an increase of 27·5 per cent. The figures for Bogota were \$2,112,521,000 and \$1,635,315,000 respectively, or 29·2 per cent higher. The figures of the Bogota Stock Exchange were also significant. The value of the Bolsa transactions amounted to \$89,154,000 as against \$42,733,000 in 1942, an improvement of 108·6 per cent. The index of quotations, which in 1942 was 150·4, was 170, or 13 per cent better.

Increased industrial production and greater commercial activity were unfortunately accompanied by higher prices and a rising cost of living which fell heavily upon the ordinary wage-earners. The cost-of-living index for the working class increased during the year from 128·8 to 153·8, an advance of 19·4 per cent.

Total Imports and Exports

Appended are figures giving the total value in Colombian pesos (one peso equals U.S.\$0·57) of the import and export trade of Colombia in 1943. These show a substantial contraction as a result of the war. Comparative figures of import and export trade are

not given and there would be little point in doing so, since trade has been forced into definite channels as a result of wartime conditions, and the situation will alter greatly when hostilities are ended and freer movement of trade is possible.

The statistics indicate the preponderance of the United States in the trade. Exports to Europe have been reduced to small totals and imports have shared the same fate. Argentina and Brazil have become prominent as suppliers of many items formerly imported from Europe, but exports to these countries from Colombia have remained unimportant. Asia and Africa have been practically eliminated as trade factors.

Colombian Imports and Exports during 1943 by Principal Countries

	Imports Pesos	Exports Pesos
Europe—Total.	11,761,885	1,932,696
Greece	370,124	....
Portugal.	454,717	.....
United Kingdom	8,220,474	601,869
Sweden	82,238	590,876
Switzerland.	2,396,538	739,932
North America—Total	92,539,835	196,708,044
Canada.	3,704,757	11,338,709
United States	88,835,078	185,369,335
Central America and West Indies—Total	6,154,811	13,214,083
Costa Rica	767,547	127,499
Cuba	105,558	79,849
Curacao	322,325	6,718,837
Haiti	1,609,779	2,581
Mexico	3,182,257	1,470,554
Panama	52,257	1,687,254
Canal Zone	7,551	3,089,411
South America—Total	35,786,594	6,672,057
Argentina	13,468,590	364,828
Brazil.	15,291,913	483,259
Chile	1,384,943	35,858
Ecuador.	411,114	1,761,541
Paraguay.	797,224	.....
Peru.	2,294,658	63,805
Uruguay	1,595,196	992,110
Venezuela.	672,552	2,970,350
Asia—Total.	199,681	.....
British India	105,223	.....
Africa—Total.	217,316	.....
Portuguese Guinea.	140,574	.....
Oceania—Total	31,869	.....
Grand total	146,692,018	218,526,880

Imports

Following are notes on some principal items of imports into Colombia in 1943. Obviously there are many

important groups in the supply of which Canada does not participate, but for the purpose of this report it was considered desirable to show only those items in which Canada has a potential interest, with comments on the nature of the trade in certain of these items and the post-war market possibilities.

Wheat.—The demand for imported wheat in Colombia is normally not great and is confined largely to the coastal areas, but there is a steady yearly business, and No. 1 Northern Manitoba is the standard demanded by importers. The bulk of this trade has been carried on by New York commission houses, and Canadian wheat exporters have not as yet shown any great direct interest in this limited market.

Cattle.—Canadian pure-bred cattle are well favoured by the leading breeders in Colombia, and post-war opportunities for sales to this country are attractive. This trade would, of course, be greatly facilitated by the establishment of a direct shipping service from Canada to Colombian ports.

Asbestos.—Canada holds a dominant position among suppliers of crude asbestos to Colombia, and a considerable increase in volume of sales may be anticipated. A manufacturer of asbestos cement roofing, who favours the purchase of crude asbestos from Canada, is expanding production rapidly.

Leather (Calf Upper).—The local tanning industry has developed rapidly in the past few years, and the bulk of the requirements of the market are now met by local tanners. However, there is no production of calf upper leather in Colombia and, with an important domestic shoe manufacturing industry well established, the normal demand for this type is considerable and may be expected to continue indefinitely. Canadian calf upper is well-known and liked in Colombia, and sales of this item can be increased in the post-war period.

Furs.—Although Colombia lies within the tropics, Bogota and a few other smaller cities, situated at high alti-

tudes, have cool climates, and there is a limited market for furs, chiefly silver foxes. Statistics show that the United States is a much more important supplier than Canada of this item but the furs are largely of Canadian origin and are shipped by New York brokers. Otherwise the position of Canadian suppliers in this limited trade is quite satisfactory.

Base Metals.—Canada is shown as a small supplier of lead, zinc, and tin and their compounds, but direct connections have recently been established with Canadian companies, and greatly increased shipments may be expected. The market for these products in Colombia should show a large increase.

Wood-pulp.—Wood-pulp for the rayon manufacturing industry is required in a reasonable volume, and Canada's position as a supplier is good. The post-war outlook for the local rayon manufacturing industry is not clearly defined, but production capacity has recently been increased and ambitious post-war expansion is contemplated. This would indicate that assistance in the form of tariff protection is expected from the Colombian Government to enable the rayon industry to compete with the leading world manufacturers, but this protection may not materialize.

Whisky, Gin, etc.—Canada's participation in the supply of this important item is small, and the import statistics show a predominance of imports of Scotch whisky from the United Kingdom, which reflects the trend of the demand in this market. The leading whisky producers in Canada are, however, well represented and might be able to increase their sales when the supply position returns to normal.

Drugs and Pharmaceuticals.—Canadian manufacturers share in the sales of these items to Colombia, and Canadian products generally are well favoured. The trend in this country is toward an increase in local production, and the greatest opportunity for an expansion of this trade will be in supplying chemicals and pharmaceu-

ticals as ingredients for domestic manufacturing rather than in the sale of packaged, advertised products.

Textiles.—Canadian textiles, particularly cottons, are well known in Colombia and are well regarded, but Canada's participation in this trade has been small. The cotton-textile manufacturing industry, centred chiefly in Medellin, has made great progress during the past five years, and it is unlikely that imports from abroad will ever reach the same volume that they did before the outbreak of war. However, there will always be a market for attractive high-quality fabrics from abroad, and Canadian manufacturers of such materials may find this market of interest.

Hat Bodies.—The total trade in imported hat bodies of wool felt and fur felt is important. Canada is shown as a relatively small supplier, due largely to the inability of Canadian manufacturers to ship under wartime conditions. The Canadian product is well liked and, given a reasonable supply position at competitive prices, the Dominion's share in this trade could be greatly increased.

Paper (Newsprint, Printing, Kraft, etc.)—Canada's position as supplier of paper of all kinds to Colombia is important, and post-war possibilities are promising. The bulk of the imports from Canada has been through New York commission houses, but the trend recently has been more towards direct trading. Assuming that a direct shipping service will be established between Canadian and Colombian ports, Canada's share of the paper trade should continue to be substantial.

Iron and Steel Products.—Canada is listed as among the lesser suppliers under the various headings, due largely to the inability of Canadian manufacturers to ship to this market under wartime conditions. However, Canadian iron and steel products are known and considered competitive, and post-war trade prospects should be good. A number of direct connections have been established with leading Canadian manufacturers, and important devel-

opments in the sale of a wide range of iron and steel products are expected in the post-war period. The market in Colombia is important, large quantities of material and equipment of all kinds being urgently required.

Copper Wire.—The requirements of copper wire in Colombia are considerable, as the construction of numerous new communication lines is projected. A leading Canadian firm has enjoyed a large share of the business in Colombia for several years and this business, which is already on a satisfactory basis, should increase considerably.

Machinery and Equipment.—Direct connections for the sale of machine tools, machine-shop equipment, mining machinery, dredges, etc. have been established, and Canadian suppliers should be able to secure a good share of this important business, which will become active as soon as the supply position improves.

Agricultural Machinery.—Sales of agricultural machinery from Canada had never been extensive, but the type of equipment made in the Dominion is known and well liked. Energetic representatives of the leading Canadian companies are developing business at present, which may lead to larger sales in the near future.

Exports

Following are notes on the principal groups of commodities exported from Colombia in 1943, all items with a total value of 10,000 pesos or more being included. Exports to Canada, apart from coffee and crude oil, are not important, but Colombia has developed a substantial export trade to neighbouring countries and to Curacao, attributable in great measure to wartime shortages and dislocations of trading in those countries.

The favourable export situation, due principally to the all-time record set by coffee exports in 1943, produced a favourable exchange situation, with the Banco de la Republica holding a large reserve of United States dollar credits and gold. The foreign trade of 1943 resulted in a balance of

U.S.\$58,232,639 in favour of Colombia. Foreign collections held by commercial banks dropped by more than 50 per cent as compared with 1939, and Colombian imports, formerly acquired against long-term bills, are now purchased against irrevocable letter of credit, practically on a cash basis. It has been stated that the war has greatly interfered with Colombian export trade, but it should be borne in mind that during the depression year 1935 the value of exports from Colombia dropped to a total of 41 million pesos.

Cattle.—The export of live beef cattle to the Panama Canal Zone is of great value to the producers of stock in the northern and western sections of Colombia and, although this live-stock movement tends to raise the cost of beef to consumers in Colombia, it is undoubtedly beneficial to the economy of the country.

Hides.—The export of uncured hides from Colombia is a fairly important item; in 1943 Mexico was the chief purchaser. The war has given great impetus to the tanning industry in Mexico as well as in Colombia, and the Mexican demand for hides is so great that there is a tendency to outbid local tanners, with the result that hides from the northern section of Colombia are moving to Mexico. However, it is not expected that this demand will continue in the post-war period.

Dividivi and Mango Bark.—These two tanning requisites find a ready market in the United States, due largely to supplies of tanning products from the Dutch East Indies being cut off by the war in the Pacific.

Crude Oil.—Crude oil is an important export item. Oil production in Colombia was greatly curtailed during 1942 and during the first part of 1943, due to the shortage of tankers and to maritime transportation difficulties, but the situation improved greatly during the last six months of 1943, and normal shipments have been resumed.

Portland Cement.—Some 6,000 tons of Portland cement were exported,

chiefly to Panama, but this is a special wartime condition. Colombia is not yet producing sufficient cement for her own requirements, although the present production capacity is in the neighbourhood of 300,000 metric tons annually and further production is contemplated, which should eventually take care of the entire needs of Colombia and leave an excess for exports to neighbouring republics.

Textiles.—The textile industry of Colombia has been in a rather favoured position, due to the fact that the United States and the United Kingdom have been forced to reduce exports to small amounts and the rapidly expanding industry in Colombia has been able to find an attractive market in neighbouring Republics and Curacao. However, this is regarded purely as a wartime development. The growth of the

industry is indicated by the production of cotton textiles, which increased from 23,393,654 metres in 1936 to 110,816,696 metres in 1942, and there have since been substantial increases. The total value of all textiles produced in Colombia in 1934 amounted to 47,000,000 pesos, whereas the 1942 output totalled 238,000,000 pesos, not including the production of numerous domestic industries.

Coffee.—Coffee exports, which in 1943 totalled 176,634,874 pesos, accounted for more than 85 per cent of the total exports, and the increase in price was about 30 per cent over 1942. The dependency of Colombia on its one main export crop—coffee—is an economic weakness, but the war has given impetus to the development of other natural resources, and in time the preponderance of coffee should become less.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT AND FLOUR SITUATION

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, has cabled regarding the wheat and flour situation as follows:—

Australian wheat stocks at September 23 totalled 112,750,000 bushels. The rate of export of wheat and flour has been well maintained. The Australian crop estimate is now only 50,000,000 bushels; 40,000,000 bushels will be required for stock food in 1944-45. The general deficiency will be drawn from stocks of old wheat in Australia, which are ample for the purpose. The condition of growing crops in Queensland is good; Western Australia, moderately good; New South Wales, fair to good in north, bad in south; South Australia, poor; the drought in Victoria is one of the worst ever experienced. The mills in Victoria and New South Wales will have to reduce operations from three shifts

to two shifts a day and even then wheat may have to be moved from South Australia and Western Australia to the eastern states to keep the mills going.

Belgian Congo

COPPER WIRE MANUFACTURE

Engineering and electrical workshops recently established at Elisabethville are now turning out copper wire, according to *The African World*. The Union Miniere du Haut Katonga supplies the copper, which is rolled and drawn to all commercial gauges. The factory has a rolling capacity of over 23 cwt. a day.

This is one of the most recent of the new activities by which the Belgian Colony has been reducing its imports of manufactured products. Progress has been made in the manufacture of small agricultural implements and various kinds of machinery and equipment.

CANADA'S DOMESTIC MERCHANDISE EXPORTS IN SEPTEMBER

The value of Canada's domestic merchandise exports in September was \$264,619,000 as compared with \$244,914,000 in the corresponding month of 1943, an advance of 8 per cent. During the first nine months of the present year the aggregate value was \$2,546,621,000 as against \$2,119,184,000 in the comparable period of 1943, an increase of 20 per cent.

Commodity exports to the United States in September were valued at \$110,457,000 as compared with \$93,983,000 in September of last year, the total for the first nine months of this year standing at \$932,990,000 as against \$797,856,000 in the similar period of 1943. September exports to the United Kingdom were valued at \$94,425,000 as compared with \$77,670,000 in September, 1943, the aggregate for the nine months ended September totalling \$942,295,000 as against \$763,833,000 a year ago.

The values of exports to other leading countries in September were as follows, totals for September, 1943, being shown within parentheses: Italy, \$12,768,000 (nil); Russia, \$9,059,000

(\$7,266,000); British India, \$6,684,000 (\$7,315,000); Newfoundland, \$5,446,000 (\$4,279,000); Egypt, \$5,317,000 (\$17,114,000); British South Africa, \$2,616,000 (\$2,527,000); France, \$2,547,000 (nil); Australia, \$2,066,000 (\$2,831,000).

The following were among the leading commodities exported in September, totals for September, 1943, being shown within parentheses: wheat, \$33,979,000 (\$18,492,000); wheat flour, \$7,915,000 (\$4,699,000); fishery products, \$6,930,000 (\$5,581,000); meats, \$11,064,000 (\$8,294,000); fibres and textiles, \$4,701,000 (\$1,845,000); planks and boards, \$9,661,000 (\$8,317,000); wood-pulp, \$8,191,000 (\$8,693,000); newsprint paper, \$13,437,000 (\$13,198,000); chemicals, \$7,293,000 (\$8,179,000).

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of September and the nine months ending September, 1944, and 1943:—

Exports by Principal Countries

	Month of September		Nine Months ended September	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	264,619	244,914	2,546,621	2,119,184
Empire countries	117,114	101,559	1,215,177	1,026,394
British East Africa	864	1,482	4,536	14,401
British South Africa	2,616	2,527	18,039	25,421
Southern Rhodesia	168	206	900	858
British West Africa	15	183	2,028	6,138
Bermuda	132	177	1,956	1,263
British India	6,684	7,315	113,494	93,064
Ceylon	268	365	3,682	4,438
British Guiana	747	555	4,581	4,413
Barbados	215	185	2,884	2,397
Jamaica	611	1,013	10,942	6,589
Trinidad and Tobago	1,190	1,805	12,792	9,962
British West Indies, other	350	446	4,380	3,137
Newfoundland	5,446	4,279	33,992	29,434
Australia	2,066	2,831	35,509	32,371
Fiji	3	1	308	281
New Zealand	25	93	9,246	24,295
Palestine	328	90	1,379	646
Eire	782	308	9,243	2,967
United Kingdom	94,425	77,670	942,295	763,833
Foreign countries	147,505	143,355	1,331,444	1,092,790
United States	110,457	93,983	932,990	797,856

Exports by Principal Countries—Con.

	Month of September 1944	1943 Thousands of Dollars	Nine Months ended September 1944	1943
Argentina	212	236	2,790	2,759
Bolivia	14	34	149	150
Brazil	773	255	4,915	3,749
Chile	135	15	1,085	814
China	8	.....	14,884	.....
Colombia	196	136	1,522	1,025
Costa Rica	9	1	263	124
Cuba	283	96	2,398	1,561
Ecuador	28	44	202	162
Egypt	5,317	17,114	95,535	137,925
France	2,547	.....	2,547	.....
French Possessions	2,027	19,059	22,330	50,518
Guatemala	21	9	264	166
Haiti	17	14	338	170
Honduras	2	1	63	85
Iceland	116	100	2,187	1,585
Iraq	108	2,393	5,340	18,878
Italy	12,768	.....	126,269	.....
Mexico	501	353	4,303	4,198
Netherlands West Indies	17	66	226	360
Nicaragua	5	3	169	183
Panama	39	34	449	614
Paraguay	1	.....	30	15
Persia	142	224	761	276
Peru	122	65	999	575
Portugal	21	3	554	664
Portuguese Africa	7	2	287	42
Russia	9,059	7,266	73,853	38,904
Salvador	10	13	182	117
San Domingo	11	1	311	96
Spain	22	.....	88	115
Switzerland	1,155	505	11,974	8,240
Turkey .....	.....	258	6,703	11,789
Hawaii	204	504	1,575	2,070
Puerto Rico	253	40	1,490	833
Uruguay	75	53	956	653
Venezuela	96	58	1,155	529

Exports by Principal Commodities

Total domestic exports	264,619	244,914	2,546,621	2,119,184
Agricultural products	66,131	38,222	531,369	304,260
Fruits	1,309	2,123	4,096	4,412
Vegetables	750	593	8,434	5,083
Grains	45,393	24,826	359,613	194,077
Barley	3,486	2,303	23,507	24,300
Wheat	33,979	18,492	283,169	135,772
Wheat flour	7,915	4,699	68,235	50,570
Alcoholic beverages	1,750	1,524	14,030	10,789
Seeds	2,609	663	18,956	10,804
Animal products	27,659	23,632	288,954	211,917
Cattle (except for stock)	447	509	4,216	4,442
Fishery products	6,930	5,581	47,127	40,370
Furs (chiefly raw)	922	2,071	20,867	19,240
Hides, raw	58	29	468	473
Leather, unmanufactured	246	220	2,214	2,740
Leather, manufactured	266	296	2,779	1,632
Meats	11,064	8,294	153,145	98,267
Butter	114	149	1,473	425
Cheese	2,908	3,148	16,734	17,256
Eggs	1,556	1,403	15,164	13,855
Fibres and textiles	4,701	1,845	37,179	18,028
Cotton	367	517	4,508	4,862
Flax	216	118	1,905	2,045
Wool	1,706	334	15,606	2,904
Artificial silk	646	567	4,693	3,116

Exports by Principal Commodities—Con.

	Month of September 1944	1943	Nine Months ended September 1944	1943
	Thousands of Dollars			
Wood and paper	39,775	36,729	317,162	281,463
Planks and boards	9,661	8,317	61,001	51,753
Timber, square	56	31	466	411
Shingles, red cedar	569	403	5,148	4,657
Pulpwood	2,335	2,217	14,173	12,527
Wood pulp	8,191	8,693	73,980	75,268
Paper, newsprint	13,437	13,198	116,741	103,966
Iron and products	40,221	60,565	592,526	482,694
Pigs, ingots, etc.	2,301	1,806	12,561	18,020
Rolling-mill products	349	399	6,840	2,442
Tubes and pipes	137	20	1,821	292
Farm implements	831	399	10,169	8,426
Hardware and cutlery	295	222	2,620	2,451
Machinery, other than farm	1,769	690	17,431	7,636
Motor vehicles and parts	27,644	45,272	328,316	338,395
Non-ferrous metals (excluding gold)	26,186	28,193	240,936	249,197
Non-metallic minerals	5,599	5,473	43,677	45,485
Coal	623	574	4,700	3,873
Petroleum	1,256	387	5,734	4,451
Stone	1,355	1,812	13,160	13,853
Chemicals	7,293	8,179	73,237	60,885
Acids	249	218	1,666	2,169
Fertilizers	1,556	1,479	18,067	12,490
Soda compounds	551	458	2,640	3,150
*Miscellaneous	47,054	42,077	421,581	465,255
Electric energy	981	612	5,955	5,855
Films	45	177	1,165	597

*Includes certain military stores.

TRADE REGULATIONS AND TARIFF CHANGES**Australia****IMPORT LICENSING REGULATIONS
AMENDED**

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date August 28 that the regulations governing the importation into Australia of watches and watch movements have been amended as follows:—

With effect from August 22, watches admissible under Tariff Items Nos. 318(A) (4) (a) (1) and (2), and pocket watches and pocket watch cases admissible under Tariff Item No. 318(A) (4) (b) (1) may be imported up to 75 per cent of imports during the base year ended June 30, 1939, and watch movements admissible under Tariff Items Nos. 318(B) (2), 318(B) (3) (a) and (b) may be imported up to 125 per cent of base-year imports.

Importers may, if they so desire, group the reconstituted quotas under

these items, provided the resultant total is utilized to import either (a) watch movements and/or watch movement parts 100 per cent or (b) complete watches up to 75 per cent. If an importer elects to utilize a percentage for importing complete watches, he must utilize the remainder of the allocation, i.e. 25 per cent or more, to import watch movements and/or watch parts.

The percentage of ladies' watches or movements for ladies' watches which may be imported is to be limited to 25 per cent or less of available allocations.

The cases of complete watches are to be of metals other than gold, platinum or silver and are not to be set with precious stones or imitation precious stones. The objective is to limit importations to those watches having the greatest utility value under existing conditions.

Ceylon

TARIFF DUTIES INCREASED

A Ceylon Government Notification of July 18, 1944, increases import duties on many products imported into Ceylon. There are two schedules of goods on which the duties are increased and a third schedule which exempts certain goods from the increase. On goods specified in the first schedule the British preferential and general tariff rates are increased mostly by adding 10 per cent ad valorem to the old rates. Among these goods are biscuits and cakes, cider, confectionery, flavouring essences, canned fruit, refrigerators, air-conditioners, typewriters, wireless goods, toilet preparations, and games and athletic materials (except rubber balls). On goods in the second schedule most increases consist of adding from 5 to 15 per cent ad valorem to the duties and, in addition, an extra charge of 10 per cent of the new duty under the general tariff is levied. Goods in this class include aluminum ware, ceiling and flooring boards, cutlery, dry battery cells, floor cloth, golf and tennis balls, haberdashery and millinery, jewellery, lamps and lanterns, musical instruments, oilcloth, printed letter paper, printed forms, tissue paper, paper and cardboard manufactures, photographic goods, rubber tires and tubes, certain textiles, toys and games, and unspecified wood manufactures. The third schedule lists goods which are exempt from increase and includes butter, cereal foods, cheese, potatoes, wheat and wheat flour, barley, canned fish, canned vegetables, electric motors, washing-machines and certain

other electric apparatus, motor cars, paints, and tobacco. Duties under both British preferential and general tariffs on all goods not mentioned in any of the foregoing schedules (i.e. the goods specified above and some others) are increased by 10 per cent of the existing rates.

United States

QUOTA ON TABLE POTATOES

The United States Bureau of Customs announced on October 11 that the quota of 60 million pounds of white or Irish potatoes, other than certified seed, admissible in the 12-month period beginning September 15 in any year at a reduced rate of 37½ cents per 100 pounds (from December 1 to the end of February in any year, 60 cents per 100 pounds), as provided by the Canada-United States trade agreement of November 17, 1938, was 83 per cent filled by October 7, 1944.

Preliminary figures show imports of approximately 50 million pounds of such potatoes for the period September 15 to October 7, 1944, an average of 2½ million pounds per day.

Importers, the announcement states, are therefore required to deposit estimated duties at the full tariff rate of 75 cents per 100 pounds on all importations of other than certified seed potatoes during the period October 10, 1944, through September 14, 1945, pending determination of the quota status of such importations. Excessive duties deposited on potatoes of this class found to be within the quota limitation will be refunded.

DEBTS OWING TO CANADIAN EXPORTERS

The Department of Trade and Commerce desires to obtain full information in regard to debts, owing to Canadian exporters, arising out of exports of merchandise shipped to importers in Spain or in Spanish possessions prior to July 18, 1936.

Communications from Canadian firms, who have not already furnished such information to the Department, should be addressed to: The Deputy Minister, Department of Trade and Commerce, Ottawa.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to September 30, 1944:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Sept. 30, 1944	
				Quantity	Per Cent
Whole milk.	Gal.	3,000,000 per calendar year	6½ to 3¼c. per gal.	5,282	....
Cream	Gal.	1,500,000 per calendar year	56½ to 28½oc. per gal.	764	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.	Lb.	18,210,658 per calendar year	2½ to 1⅞c. per lb.	Quota filled	
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.	....	....
White or Irish potatoes, other than seed potatoes.	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	531,389	53.1
Red cedar shingles.	Sq.	2,153,984	Free	1,095,908	50.8
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins.	No.	100,000 beginning Dec. 1, 1943	50 to 35% ad val.	40,270†	40.2
Tails.	Piece	5,000 beginning Dec. 1, 1943	50 to 35% ad val.	198	3.9

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries, and for the period May 1 to September 30, 1944, imports totalled 30,318. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas		Imports May 29 to Sept. 30, 1944	
	Wheat Bu.	Wheat Flour and other Products Lb.	Wheat Bu.	Wheat Flour and other Products Lb.
Canada	795,000	3,815,000	795,000	35,794
Other countries	5,000	185,000	Nil	Nil

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 23, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 23, 1944, and for the week ending Monday, October 16, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 16	Nominal Quotations in Montreal Week ending Oct. 23	Official Bank Rate
Great Britain... ..Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... ..Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... ..Peso	.4985	.2284	.2284	4
Jamaica... ..Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies.Dollar	1.0138	.9313	.9313	—
Argentina... ..Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2757	.2759	—
Brazil... ..Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana... ..Dollar	1.0138	.9313	.9313	—
Chile... ..Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... ..Peso	.9733	.6358	.6358	4
Venezuela... ..Bolivar	.1930	.3330	.3330	—
Uruguay... ..Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6022	—
South Africa... ..Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... ..Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... ..Rupee	.3650	.3359	.3359	3
Australia... ..Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... ..Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

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Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212. Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 633. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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DISPOSAL OF SURPLUS GOVERNMENT FACTORIES AND STORES IN THE UNITED KINGDOM

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

Surplus Factories

The Controller-General of Factory and Storage Premises of the Board of Trade has announced the Government's plans for the disposal of surplus government factories.

The Government has constructed during the war many factories, of which quite a number are suitable to peacetime production and can be gradually turned over for such purposes. Some of these factories will be retained by the Government for its own use and these will continue on munitions production, particularly in those areas where full employment is required. Some factories will be used for storage

purposes and others as training centres under government schemes, including that for building-trade workers.

The majority, however, numbering ultimately at least one thousand factories, will sooner or later be turned over to industry. The Supply Departments will report to the Board of Trade when factories become surplus. The authorities are receiving more applications than there are factories available.

PREMISES TO BE RETAINED

Except in special circumstances, factories will not be sold but will be

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NOV 7 1944

leased to applicants, who will be selected according to the type of business best suited in the national interest for particular localities. By this means the Government will make a beginning with the diversification of industry in what are now called the "Areas of Development" but were formerly known as the "Distressed Areas".

Actual construction costs will not be taken into account in fixing initial rentals but only the estimated letting value of such premises before the war.

Industrialists who require space after the war in surplus government factories and who are willing to use it for peacetime industries are invited to apply to the Board of Trade.

FAVOURABLE TREATMENT FOR PARTICULAR TRADES

In the allocation of factories the criteria of national interest include:—

Establishment of a balanced distribution of industry.

Re-establishment and expansion of export trade.

Maintenance of a war potential.

Requirements of town and country planning.

Ability of applicants to make efficient use of the premises with the minimum of reconstruction.

Claims on grounds of equity of firms whose factories have been damaged or destroyed by enemy action or have been requisitioned under concentration schemes or otherwise.

Allocation is to begin at once and without regard to the exact time when the factories will be available so that industrialists may be able to prepare their plans. Industries which the Board of Trade are anxious to promote are watch and clock making, electrical goods, radio equipment, domestic utilities and light engineering.

During the war the Government has requisitioned about twenty thousand factories and in the releasing of these premises the same principles will be applied as in the allocation of the Government's surplus factories.

Surplus Stores

The United Kingdom Government issued earlier an official statement of the proposed method and procedure for the disposal of government surplus stores after the war.

This question has been the subject of considerable attention by various trade interests in this country. They recall the unsatisfactory experiences following the last war when, it is alleged, surplus stores were sold indiscriminately to the highest bidder and the policies of procurement and marketing were unregulated, with adverse results to post-war production and the interests of consumers.

The plan released indicates the broad lines on which the Government proposes to proceed in connection with the disposal of surplus stores. The proposals do not cover fixed assets such as land, buildings and factories or machine tools, on which separate announcements will be made.

Government-owned stores which are likely to be surplus to requirements may be divided into three classes:—

(a) Raw materials.

(b) Munition stores, e.g. ammunition, fighting vehicles.

(c) Manufactured stores suitable for, or adaptable to, civilian uses.

Raw Materials

Raw materials are controlled, and many of them bought and sold, by Government agencies, in particular the Raw Materials Department of the Ministry of Supply and the Controls operating under it. Government surpluses of raw materials, including scrap, will be notified to the appropriate Department and will be allocated or disposed of in accordance with its instructions.

In many cases the surpluses will become part of a Control's stocks and there will, therefore, be no need for any new marketing machinery. In other cases the appropriate Department will ensure that they are disposed of in an orderly manner and in accord-

ance with any allocation system existing at the time.

In certain instances the volume of government-owned raw materials will be substantial in relation to normal peacetime requirements, and special disposal arrangements may have to be made.

Trade and other interests concerned will be consulted in connection with plans for the disposal of raw materials.

Munition Stores

Stores such as guns, ammunition, etc. can have no direct civilian use. But some may be broken up for scrap, which will be handled by the appropriate Raw Material Control, or for spare parts, which will be dealt with as manufactured civilian stores in the manner explained below. The treatment of surplus aircraft supplies raises special problems which require separate consideration.

Manufactured Civilian Stores

Manufactured civilian stores consist of a great variety of articles, ranging from typewriters to trucks, from rain-coats to road rollers. Some of these are suitable for sale through retail shops to the general public; others, for example industrial equipment and components, are of use only in industry.

On November 2, 1943, the President of the Board of Trade announced the Government's policy. He said: "As I have already stated in the House, there must be after the war an orderly disposal of surplus goods, which, on the one hand, will not allow profiteering at the expense of the consumer, and on the other hand, will pay due regard to the interests of producers and distributors. The Government have decided that disposal shall be carried out, in each particular case, through the agency of the Department mainly concerned with the supply of the goods during the war. Before working out the plans for disposal, the Board of Trade, together with other responsible Departments, will consult with repre-

sentatives of the producers and distributors concerned."

Steps are being taken to co-ordinate the needs of Departments and of authorities working under or through them, so that no goods shall be declared surplus which might be required for any public purpose.

The goods which will probably be surplus to government needs have been tabulated according to their various classes. At this stage, however, no useful estimate can be given of the quantities which will eventually be involved or the proportions likely to be available for the home market. In the case of some articles, the whole or part of the surplus may be allocated for relief and rehabilitation of liberated territories; on the other hand, new classes may be added, of which at the moment a surplus appears unlikely. Nor is it possible at present to indicate at what moment the goods in question will actually be available for disposal.

Should the war end in two stages, substantial amounts of some stores may be released after an armistice in Europe, but in other classes of goods there may be no surplus at all until Japan is defeated. The present tabulation, therefore, is in no way final. It merely shows the range of commodities probably involved and thus provides a basis on which plans for disposal may be prepared.

General Principles

The general principles which the Government intends to adopt in disposing of surplus goods are as follows:

(a) To release the stocks at a rate which, while fast enough to get the goods into the hands of consumers when they are most required and to clear badly needed storage and production space, aims at avoiding adverse effects on production through flooding the market;

(b) Unless there is good reason to the contrary, to distribute the goods through those traders or manufacturers who would normally handle or use them, and to ensure that ultimate con-

sumers in all parts of the country have a fair opportunity to buy them;

(c) To ensure, if necessary by statutory price control, that the prices charged to the ultimate consumer are fair and reasonable in relation to the current prices of similar articles, to prevent profiteering on the part of dealers handling the goods, and to keep down the number of intermediaries to the minimum compatible with a proper distribution.

The way in which these principles can best be applied to the disposal of the various classes of surplus goods will be decided with due consideration for the needs of consumers and after consultation with representatives of the industries and trades concerned. Provisional disposal plans will be prepared for all those classes of goods which the Government considers important before the time when they are actually available for disposal in any quantity.

Such plants must, of course, be limited in scope by present uncertainty as to the precise nature of future surpluses. They cannot cover questions which depend on detailed information about the quantities and condition of the various articles available.

Thus it will seldom be feasible, in this preliminary stage, to draw up definite programs governing the rate at which goods will be released or to make specific arrangements about the prices at which the Government will sell. On the other hand, it should be possible to plan in advance the general methods of disposal to be adopted for the different classes of goods, including the channels of distribution to be used and the extent of any statutory or other control of margins and prices.

Trades Will be Consulted

The sale of surplus stores by unrestricted competitive tender will frequently be incompatible with some of the principles laid down and, where this is so, other arrangements will be made. These will no doubt differ considerably according to the character of the surplus articles, the extent to

which they will be in short supply, the nature of the market for them, and various other factors. In some cases sale by negotiation or by tender in a restricted form may be appropriate; in others it may be desirable, subject to satisfactory prices, to sell to, or through, a non-profit-making corporation or association, membership of which would be open to all traders normally handling the goods in question. Discussions on these matters with representatives of trades and industries concerned have already started and will be pressed forward in the coming months.

It may be decided that some of the surplus goods should be exported rather than retained for the home market. In such cases also, arrangements will be made, where appropriate, for their sale through traders or manufacturers who normally engage in this type of business.

Arrangements will be made, where appropriate, for used surplus articles to be reconditioned.

Wherever possible, surplus goods will be given a distinguishing mark in order to facilitate price and distribution control.

Administrative Machinery

The administrative machinery through which the preceding arrangements are to be carried out will be as follows:—

(a) For each category of surplus goods, one Department has been designated as the Disposal Department. As such, it will arrange for the sorting, assembling, cataloguing and reconditioning (where appropriate) of all goods in that class, and will make the contracts of sale. Usually the Ministry of Supply will be the Disposal Department. For certain classes of goods, however, the Ministry of Works or the Ministry of Aircraft Production or the Admiralty or the General Post Office have been designated.

(b) Similarly, for each category of surplus goods, one Department will be

primarily responsible for deciding the method of disposal, for fixing margins and prices, for settling the rate at which goods will be released, and for conducting the necessary discussions with trade and industry. For many articles, including almost all consumer goods, the Board of Trade will carry out this function but in a number of cases the Disposal Department will itself undertake it. Thus, internal combustion engines and many other items of industrial equipment will be handled throughout by the Ministry of Supply, builders' materials by the Ministry of Works, navigational instruments by the Admiralty.

The foregoing arrangements are without prejudice to the settlement of any questions that may arise in the disposal of stores received under Lend-Lease or Mutual Aid. The disposal of United Kingdom Government stores abroad, and the possible disposal in this country of stores owned by Dominion or Allied Governments, will raise questions which will require discussion with other governments. In the event of stores in the United Kingdom owned by Dominion or Allied Governments being disposed of here, His Majesty's Government will request the governments concerned to make arrangements which conform to the above principles.

London, October 11, 1944

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

8. TOBACCO

By NORMAN A. MACRAE, *Agricultural Scientist, Experimental Farms Service, and Technical Adviser to the Administrator of Tobacco, Wartime Prices and Trade Board*

Origin and Early Use

Not many hundreds of years ago this world was endowed with, and thereby enriched by, a new acquisition to the plant kingdom. This event was one of those rare accidents of nature which, in all probability, occurred in higher altitudes of the northern Andes of South America or inland along the western or southern fringes of the Gulf of Mexico. In any case the inhabitants of the world were provided with a new botanical annual, which was none other than the original tobacco plant.

It is possible that the origin of this plant followed the arrival of the human race on this continent. Its use for smoking purposes was well established by the native Indians, descendants of the Fulsom man, previous to the white man's discovery of America. After the discovery of America there was expansion in colonial interest and trade; consequently the cultivation and use of tobacco spread during the sixteenth century from America to France in 1556, Portugal in 1558, Spain in

1559, England in 1565, and later to other parts of the world. Sir Walter Raleigh's name has long been incorrectly associated with the introduction of tobacco into England. It is true, however, that he contributed greatly to popularizing its use following its introduction by Sir John Hawkins.

Tobacco was grown in Canada along the shore of the St. Lawrence by the Indians when Jacques Cartier arrived in 1535, but it did not become a crop of importance in export trade until many years later. In 1612 one John Rolphe of Jamestown is credited with having initiated commercial production, and some twenty thousand pounds of Virginia-grown leaf tobacco were prepared for shipment to England in 1619. England has since become one of the world's largest importers of tobacco, while the United States has become one of the largest producers and exporters.

The types and varieties of tobacco now grown for human consumption

have all been developed through careful selection from various populations derived from the original tobacco plant. Such types as flue-cured (Virginia), Burley, dark, cigar, pipe, Perique, Latakia, Turkish, etc. constitute special forms, which were all derived from the original plant. Within each of these types are several varieties. Some types may have as few as ten varieties, whereas others may have fifty or more. All types require special attention with respect to cultural treatment and soil condition as well as methods of harvesting and curing.

Development of Tobacco Growing in Canada

Commercial production in Canada dates back to 1720, when some forty-eight thousand pounds were produced. The major portion of this production was devoted to pipe varieties in the Province of Quebec. A few of the varieties grown in Quebec at that time may be found to-day on the farms of the French-Canadians in that province. According to the records, in excess of one hundred and sixty-six thousand pounds were produced in 1734. During the next year, the French Government, for the first time, entered upon a policy of encouraging production in New France to supplement supplies from the south and the homeland.

Following the American revolution there was a great migration of Loyalists to Canada, some of whom settled in southwestern Ontario. Many had come from tobacco districts in the South and brought with them seed from the varieties which they had previously grown. This proved to be the beginning of the tobacco industry in the counties of Essex and Kent in Ontario.

Shortly after the war of 1812-14 a small quantity of Canadian leaf was shipped down the Mississippi River to New Orleans. By 1850 the million-pound mark had been exceeded, with the greater portion of the production in the Province of Quebec, in the dis-

tricts north and south of Montreal. According to the first Dominion Census of 1871, Quebec produced approximately twelve hundred thousand pounds of leaf, while Ontario's production was slightly less than one-third of this figure. During the next ten years Quebec's production doubled, but Ontario's declined to approximately 40 per cent of the previous ten-year figure.

With the introduction of Burley tobacco into the County of Essex in Western Ontario towards the end of the last century, the volume of production increased to a figure of over seventeen and a half million pounds in 1910. During the next eight years there was no evidence of expansion in output. After the close of the war, however, production rose in 1919 to approximately thirty-four million pounds, and in 1920 to forty-eight million pounds. The domestic demand for Canadian leaf was not sufficient at this time to maintain production at the forty-eight million-pound level, and in 1921 there was a sharp decline to approximately thirteen and a half million pounds.

At this time Burley tobacco was the principal type produced, although flue-cured and dark tobaccos were also grown. For these three types the area of production centred around Essex County in Western Ontario. Cigar and pipe tobaccos were grown in two districts in Quebec, one of which was in the St. Jacques district some twenty-five miles northeast of Montreal and the other in the Yamaska valley district some forty miles southeast of the same city. Both have continued to produce excellent grades of leaf tobacco, the former being primarily important in the production of cigar filler and pipe tobacco, and the latter excelling in cigar binder leaf.

Early in the twenties interest in the possible production of flue-cured tobacco in the County of Norfolk in Western Ontario developed. Soil surveys were made and meteorological data were collected. The information

obtained indicated that this district possessed certain advantages which would ensure production of a considerable volume of flue-cured tobacco.

Production

Tobacco production in Canada underwent its greatest changes in the period between World War I and World War II. These changes included definite localization of the areas of production for the different types, replacement of old varieties by new and improved strains, and the adoption of better farming methods.

Cigar Leaf.—Production of cigar leaf in general has been confined to the Province of Quebec. Most of the growers are descendants of early French colonists, whose land has been handed down to them through successive generations. Where soil conditions permit, tobacco is grown as a cash crop in areas of mixed farming. Throughout the period production has been remarkably stable between four and six million pounds, except in 1934, when production declined to 2,310,000 pounds.

Pipe Leaf.—There are three sub-types of pipe tobacco grown, namely, large, medium, and small aromatic. While production is general throughout Quebec, the Joliette district produces the major portion. Practically the entire lot is sold and consumed as raw leaf, with very little of it as much as fermented. Total production of the three sub-types has fluctuated between two and four and a half million pounds.

Burley Leaf.—From 1920 to 1932 inclusive, Burley production showed

wider fluctuations than any other type, total crop yields ranging from a low of some three and a half million pounds in 1922 to twenty-two and a half million in 1929. Since 1932 production in general has been gauged to meet market requirements, averaging some nine million pounds per year. During the latter part of the period greater emphasis was placed on production of Burley of the cigarette type of leaf than on the heavier leaf for export.

Dark Leaf.—Production of dark air-cured and dark fire-cured leaf also has varied considerably. From approximately 100,000 pounds at the end of the last war, it rose to over seven million pounds in 1927 and then declined to less than one million in 1931. From 1931 there was a somewhat consistent increase to slightly less than four million pounds in 1939.

Flue-cured Leaf.—No other type of Canadian tobacco has had the phenomenal expansion which has featured production of flue-cured leaf. During the early stages growth of this type was limited to Essex County. Norfolk County came into production some five or six years after the end of the first World War. There was immediate expansion from less than two and a half million pounds between 1920 and 1924 to almost twenty-eight million pounds in 1932, thirty-five million in 1935, and seventy-eight million in 1938. Practically the entire increase is due to new plantings in Norfolk County and district. Small areas in Quebec and British Columbia came into production in the early thirties, but their total leaf production for any year was less

TABLE I
Tobacco Production by Types

	Cigar	Pipe	Burley Thousands of Pounds	Dark	Flue	Total
1935	3,443	2,522	11,546	2,760	35,199	55,470
1936	4,824	4,234	9,762	2,700	24,596	46,116
1937	5,852	2,265	6,371	2,241	55,374	72,103
1938	6,200	2,800	10,821	3,400	78,174	101,395
1939	5,190	3,559	15,248	3,872	79,734	107,603
1940	4,694	4,013	11,818	1,466	39,145	61,136
1941	4,086	2,508	9,965	2,383	72,221	91,163
1942	4,199	1,275	10,221	2,148	67,484	85,327
1943	2,270	477	6,591	979	58,786	69,103
1944 (estimated) . .	4,148	1,875	11,292	1,466	83,324	102,105

than one million pounds until 1938, when it approximated the two-million mark, three-fourths of which was grown in Quebec.

Marketing

Cigar Leaf.—Tobacco growers' co-operative associations operating on a pool basis handle the bulk of the Quebec cigar leaf. The Co-Operative Agricultural Association of the Yamaska Valley, St. Cesaire, was organized in 1913. It is one of the oldest co-operative establishments in Canada, and an example of successful co-operative enterprise. While it caters to the growers in the southern district, its counterpart, La Société Coopérative Agricole de Tabac du District de Joliette, St. Jacques, formed in 1930, serves a similar purpose in the northern district.

Pipe Leaf.—The raw-leaf trade has long been recognized in the Province of Quebec. Growers of this type of leaf are not generally associated with any organization. Their crop is usually sold to one or other of many relatively small packers, who tie and sell the leaf in hands, with little, if any, processing, to dealers or retailers for ultimate raw-leaf pipe smoking.

Burley Leaf.—Practically all Burley growers are members of the Burley Tobacco Marketing Association of Ontario, 1936, which operates under provincial charter. Although it is essentially a marketing association, it is, in effect, the only Burley growers' organization. Its constitution and by-laws are similar to those of the Flue-Cured Tobacco Marketing Association of Ontario. Growers sell directly to the buyer, who may pack it for his own use or for resale.

Dark Leaf.—During recent years very little dark air-cured or fire-cured leaf has been grown without contract. The packer or manufacturer ordinarily enters into an agreement with a number of growers, in which a stated price for the production of a certain quantity of tobacco is assured.

Flue-cured Leaf.—There are several flue-cured tobacco growers' organizations. In Ontario these have representation on the board of directors of the Flue-Cured Tobacco Marketing Association of Ontario, which by Dominion legislation operated under the Natural Products Marketing Act, 1934. Since 1936, however, this organization has been operating only under provincial charter. While both flue-cured and Burley associations are essentially controlled by the producers, the principal direct buyers also have representation on the Board. Both organizations attempt to regulate production to meet market requirements and negotiate an average price at the end of each harvesting season.

A considerable portion of the flue-cured production in the Province of Quebec is grown by members of La Coopérative des Tabacs Laurentiens, Joliette. The British Columbian crop is ordinarily purchased by an eastern buyer and is eventually transported for processing and packing to an eastern plant.

Withdrawals of Leaf for Manufacture

In 1920 less than one-third of the leaf used by Canadian manufacturers was of domestic origin. This proportion, however, increased to one-half within the next five years and has risen somewhat steadily to approximately 98 per cent in 1943. At the same time the total amount of leaf used by domestic manufacturers rose from slightly over twenty-five million pounds in 1920 to over forty million within the next ten years and in excess of fifty million in 1940. This upward trend continued with increased tempo throughout the ensuing years to about sixty-eight and a half million standard pounds in 1943.

The most phenomenal increase has taken place in connection with the use of domestic flue-cured leaf. This figure rose in ten years from an estimated fifteen million pounds in 1934 to over

fifty-two and a half million in 1943. The use of Burley, on the other hand, has been somewhat more regular, but varying within narrow limits. It dropped slightly to less than seven and a half million pounds in 1936, but since then has had a fairly steady increase to some nine million pounds or better in recent years.

The demand for dark tobacco has been considerably less, although consistent, increasing from less than three-fourths of a million pounds ten years ago to over one million last year. The use of Canadian-grown cigar leaf has also risen during the past ten years from approximately one and three-quarter million pounds to almost three and a half million in 1943. On the other hand, the use of Quebec pipe tobacco for manufacturing purposes has fallen off 30 to 35 per cent during the ten-year period to approximately 800,000 pounds in 1943.

Canadian imports of cigar leaf approximated one million pounds in 1943, there is no record of it exceeding this figure at any time. It is interesting to note that the use of imported Burley was discontinued in 1940.

Domestic Raw Leaf Used in Manufactured Products

The first marked increase in the use of domestic leaf by Canadian manufacturers occurred in 1922, when the proportion advanced to over 53 from almost 31 per cent in 1920. During the next few years it varied slightly, rising to 59 per cent in 1929, only to drop back to less than 54 per cent in 1930. Since 1930, however, there has been a steady advance in the proportion of Canadian leaf used in domestic manufacture to almost 98 per cent in 1943.

TABLE II

Domestic Leaf Taken for Manufacture, by Types

	Cigar	Pipe	Burley	Dark	Flue	Total
			Thousands of Standard Pounds			
1935.....	1,860	1,150	8,865	734	18,633	31,242
1936.....	1,925	1,129	7,312	812	21,915	33,093
1937.....	2,147	1,060	7,929	863	25,309	37,308
1938.....	2,239	867	7,502	780	27,598	38,986
1939.....	2,090	955	7,721	826	30,479	42,071
1940.....	2,597	860	8,290	950	34,139	46,836
1941.....	3,094	818	8,052	839	39,500	52,303
1942.....	3,247	1,121	9,181	1,070	47,205	61,824
1943.....	3,401	798	9,202	1,079	52,579	67,059

Imports of Leaf Tobacco

Previous to 1938, 90 to 95 per cent of all Canadian imports of leaf tobacco came from the United States, the major portion being American flue-cured leaf. In 1920 total imports amounted to over eighteen and a half million pounds. During the next ten years they fluctuated between eighteen and a half and fifteen million. Since 1930, however, when imports totalled approximately sixteen and a quarter million pounds, there has been quite a consistent decline to less than one and a half million pounds in 1943, of which 65 to 70 per cent was cigar leaf and less than 15 per cent American flue. Although

This trend has been evident in all manufactured products. From 1930 to 1942 inclusive the proportion rose, for instance, in cigars from 49.4 to 83.2 per cent, in cigarettes from 41.1 to 98.3, and in tobacco and snuff from 63 to 99 per cent. The phenomenal progress thus indicated is attributed, in part, to the effect of Dominion legislation in making importation increasingly difficult and undesirable, as well as to certain economic factors such as increased production and low farm prices in 1931, 1932, and 1933, but, at the same time, provides ample testimony to the general improvement in the quality of the Canadian leaf produced.

TABLE III

*Proportion of Domestic Raw Leaf
Used in Manufactured Products*

	Cigars %	Cigar- ettes %	Tobacco and Snuff %
1935	71.7	73.9	85.8
1936	74.9	80.7	88.8
1937	75.5	82.4	89.6
1938	79.4	86.6	92.3
1939	79.0	88.3	93.2
1940	81.0	90.8	94.5
1941	82.9	95.9	98.4
1942	83.2	98.3	99.0

Wartime Influences

Wartime conditions have created a ready market for every pound of leaf tobacco produced. Unfortunately, for them, growers are limited in the amount which they can produce due to several factors, the most important of which is probably the restriction in the use of chemical fertilizer resulting from wartime conditions of potash supply. In addition, war industries have drawn heavily on the supply of the type of labour required on tobacco farms.

In spite of these difficulties, total production during the current year, it is estimated, will be over one hundred million pounds, which should be second or third to the all-time high record of 1939. The relatively small crop in 1943, amounting only to slightly over sixty-nine million pounds, was insufficient to meet domestic and export requirements; in fact, it was some twenty million pounds short of total commitments. With a constantly increasing demand for leaf for manufacturing purposes, the drain on the domestic stock position consequently was unusually heavy. On a comparable weight basis, some eighty to eighty-five million pounds of the current crop will be required for domestic purposes. This quantity, however, will not enable domestic manufacturers to improve materially their stock position, which has been depleted considerably below normal during the past few years.

During the war there has been a steady increase in average farm prices for all types from 17.3 cents per pound

in 1940 to 20.5 cents in 1941, 24 cents in 1942, and 28.4 cents in 1943. By comparison farm prices for the four previous years only slightly exceeded 20 cents per pound. Typical of the increases during the war are the Ontario flue prices, which were 20.8 cents per pound in 1940, 22.8 in 1941, 26.5 in 1942, and 30.2 cents in 1943, or the Burley prices of 12.2, 14.6, 17, and 21.2 cents respectively.

Although these increases to the primary producer have been authorized by the Wartime Prices and Trade Board, no increases have been permitted in the consumer price other than those required by new or additional taxes. All price increases to the grower have been necessarily shared and absorbed by the packer, manufacturer, and distributing trade for all leaf held for domestic manufacture.

Manufacturers during the war years have experienced serious difficulties. They have lost much of their help to industry of higher priority. These workers have been, in part, replaced by less efficient or inexperienced workers, many of whom were incapable of operating delicate cigarette-making machinery or of hand-making cigars. They have also been confronted with absenteeism and high labour turnover, and have had to pay higher wages for fewer and, in general, less efficient employees. In addition, new machinery and equipment went off the market and it became almost impossible to purchase parts for repairs or replacements. At times there has also been difficulty in securing processing and packaging materials, as well as shipping containers.

Nevertheless, withdrawals for consumption of manufactured tobacco products in general have increased during the past four years. In the case of cigarettes the average during this period increased to 9,413,000,000 from 6,575,000,000 for the previous four years, cigars to 188,000,000 from 130,000,000, cut tobacco to 25,900,000 pounds from 21,000,000 pounds, and snuff to 880,000 pounds from 814,000, while plug decreased to 3,292,000

pounds from 3,437,000 pounds. It is anticipated that withdrawals for consumption for 1944, as well as total factory output, will establish a new high record.

It is evident from the foregoing figures that the per capita consump-

This decline was followed by an upward movement to nearly 6,700,000 pounds in 1931, a much sharper rise in 1932 to over 11,000,000, and a further advance in 1933 to a new high figure of 13,876,817 pounds. From that level exports fell to 8,769,979

TABLE IV
Withdrawals for Consumption

	Cigarettes	Cigars	Cut Tobacco	Plug	Snuff
	Thousands	Thousands	Thousands	Thousands	Thousands
1935..	5,305,372	125,425	18,274	3,908	773
1936..	5,600,453	122,342	19,247	3,709	789
1937..	6,697,904	129,834	20,852	3,587	825
1938..	6,871,634	131,898	21,319	3,246	803
1939..	7,126,193	133,361	23,730	3,205	837
1940..	7,571,842	165,673	25,493	3,141	847
1941..	8,581,740	191,440	24,973	2,994	872
1942..	10,239,799	200,800	24,778	3,527	892
1943..	11,256,544	195,902	23,793	3,506	910

tion of and expenditure on tobacco products has risen. The per capita consumption of cigarettes has increased from 630 in 1939 to 992 in 1943, cigars from 11.8 to 17.3, plug from 0.28 to 0.31 pounds, and snuff from 0.07 to 0.08 pounds, but cut tobacco has only held its former position at 2.10 pounds, although it increased to 2.23 pounds in 1940.

The members of our armed forces abroad have created, of course, a strong overseas demand for Canadian cigarettes and tobacco. In consequence, substantial quantities have been ex-warehoused during the past few years for export and ships' stores. For the past twelve months these quantities amounted to over three billion cigarettes and at least one-quarter million pounds of cut tobacco. All this has been, as it were, removed from the Canadian economy without creating a definite or widespread shortage of tobacco products throughout the country.

Exports

During the years from 1920 to 1926 exports varied from a few hundred thousand pounds to slightly over three and a half million in the latter year. In 1927 they declined to less than two million, rose in each of the next two years to 7,244,045 pounds in 1929, then declined again in 1930 to less than five and a half million.

pounds in 1934 and 7,666,937 pounds in 1935.

Then shipments abroad began another advance. They rose to 10,212,506 pounds in 1936, maintained most of this gain at 10,040,804 pounds in 1937, moved sharply upward to 16,341,049 pounds in 1938, and in 1939 climbed to nearly double the latter figure to reach the record total of 32,210,012 pounds.

As was to be expected, shipments fell in the first full year of war to 9,921,576 pounds, and in 1941 declined still lower to 6,471,861 pounds. In 1942, however, exports moved up to 12,774,701 pounds and in 1943 showed a further moderate increase to 12,848,481 pounds.

Prior to 1930 the bulk of the exports consisted of Burley and dark tobaccos. Since then flue-cured leaf has formed the greater part of shipments. In 1939 flue-cured accounted for 28,665,773 pounds of the total of 32,210,012 pounds. However, there has continued to be a good demand for cigar and Burley leaf.

While exports have shown marked fluctuations in volume from year to year, the general trend in pre-war years was definitely upward. Those of the four war years 1940 to 1943 have been subject to special conditions, yet the average for these years has exceeded slightly the highest figure of any year previous to 1938.

PROPORTION OF PRODUCTION

The significance of the export trade is more apparent when the figures of exports are considered in relation to those of production. During the five years 1934 to 1938 the proportion of export volume to production in the same year ranged from 14 to 23 per cent. In 1939 it jumped to a high of 30 per cent. In the four years 1940 to 1943 the proportion varied between a low of 7 per cent in 1941 and 18 per cent in 1943. For the ten years 1934 to 1943, the volume of exports was equivalent to 17.5 per cent of production. In other words, for every six pounds produced an average of somewhat more than one pound was marketed abroad.

DESTINATION OF EXPORTS

The United Kingdom has been the principal destination of exports of Canadian leaf. During the years 1929 to 1931 most of the remainder of exports went to foreign countries, but from 1932 onwards other Empire countries have provided the more important secondary outlets.

Shipments to Great Britain in 1931 accounted for 6,220,917 pounds out of total exports of 6,697,781 pounds; in 1932 for 11,084,548 pounds out of 11,195,415 pounds; and in 1933 for 13,722,531 out of 13,876,817 pounds. In 1934 they amounted to 8,506,151

1939 the latter expanded further, as shown in Table V, but the British market also took increased quantities of Canadian tobacco. The high point of shipments to the United Kingdom was reached in 1939 when they amounted to 31,172,720 pounds out of total exports of 32,210,012 pounds.

For years before the war various Canadian agencies had made efforts to increase the sale of Canadian leaf in the United Kingdom, which ordinarily imported a few hundred million pounds of tobacco a year from the United States. They were always confronted with the argument that the English smoker is very conservative and would not accept any changes in the content of his cigarettes or pipe mixtures. Nevertheless, as the figures indicate, these efforts were moderately successful and provided some reason to hope for greater success in the future.

The decline in tobacco shipments to the United Kingdom during the four years 1940 to 1943 is directly attributable to wartime factors. It is to be noted, however, that, except in 1941 when they fell to the lowest figure since the middle twenties, they have represented upwards of 75 per cent of total Canadian tobacco exports.

During the war the British West Indies, which in pre-war years took from 93,000 to 244,000 pounds of tobacco, have greatly increased their tobacco purchases from this country.

TABLE V

Exports of Canadian Tobaccos by Destinations, 1934-43

	United Kingdom	British West Africa	British West Indies	Other Empire Countries	Foreign Countries	Countries not Specified	Total
	Figures in Pounds						
1934	8,506,151	95,494	93,053	49,146	26,135	.....	8,769,979
1935	6,954,610	484,210	.....	.....	18,021	210,096	7,666,937
1936	9,477,847	557,145	.....	.....	44,446	133,068	10,212,506
1937	8,836,677	771,634	170,052	.....	237,278	25,163	10,040,804
1938	15,243,795	440,697	244,308	.....	412,249	.....	16,341,049
1939	31,172,720	225,183	120,929	951	684,929	5,300	32,210,012
1940	8,353,230	46,297	742,179	71,928	707,942	.....	9,921,576
1941	3,637,421	24,459	1,928,083	767,058	53,940	50,900	6,471,861
1942	10,347,030	.....	2,152,279	204,835	70,557	.....	12,774,701
1943	9,743,526	217,793	1,747,030	694,050	446,082	.....	12,848,481

pounds out of 8,769,979 pounds, showing a slight decline in proportion owing to a rise in exports to other Empire and foreign countries. From 1935 to

Shipments to these British colonies rose sharply from 120,929 pounds in 1939 to 742,179 pounds in 1940, more than doubled in 1941 to 1,928,083 pounds,

and increased again slightly to 2,152,-279 pounds in 1942, falling moderately in 1943 to 1,747,030 pounds. Shipments to British West Africa from 1934 to 1939 exceeded considerably those to the British West Indies, but fell off sharply after the outbreak of war. On the other hand, exports to other Empire countries have increased during the war.

GENERAL SUMMARY

During the last few years there has been a strong export demand for Canadian leaf, and the fact that wartime exports have been smaller than those of immediate pre-war years is due to the large domestic demand, inadequate production, wartime shipping and other difficulties. This demand is attributable to the phenomenal consumer increase throughout the world, the relatively low stock position of tobacco-producing countries, and finally to the prices of Canadian leaf, which will stand comparison with those in other countries whose efforts to avoid infla-

tion have been less effective than Canada's.

With the return of tobacco stocks in Canada to a normal position, seventy-five to eighty million pounds, standard weight, of tobacco per year, properly distributed as to types, should be ample to satisfy domestic requirements for the following few years. It is expected that there will be a reduction in the demand for and output of tobacco products in Canada on the close of the war, but the general feeling is that this reduction may not be drastic. As the anticipated domestic demand will be in any case below the limits of Canada's potential production, it follows that export markets are essential. With very little expansion in farm equipment, Canadian growers could produce under normal conditions sufficient tobacco to meet domestic requirements plus twenty to thirty million pounds for export, provided they are prepared to compete with foreign leaf abroad in respect to quality and price.

PRICE CONTROL IN NEWFOUNDLAND

Mr. R. P. Bower, Canadian Trade Commissioner at St. John's, writes under date, October 16, 1944, that Newfoundland, while it has had a small measure of price control for some time, has never experienced the extensive controls in force in Canada. Specific levels were initially established for certain commodities, but no order of general application was ever introduced.

For some time the Government has been working upon a price control system based upon limiting the mark-up on landed costs which merchants may charge, and which would have a more general application. The Commissioner for Supply has prepared an order, to become effective November 1, 1944, which will fix traders' mark-ups on practically all foodstuffs.

The price structure is based, in the case of imports, on the landed cost of the article, and the order exercises control in two stages.

1. The Order limits the amount that the retailer may add to the price at which he purchased the article; the retailer will be allowed to add to the price so fixed the actual costs of transportation.

2. The present maximum prices orders will continue to apply except where, in exceptional circumstances, the price determined by this Order limits the mark-up to a lower figure.

3. A note on the operations of the scheme is being posted to every known importer, wholesaler, and retailer of food.

4. The Department is appointing a number of inspectors to assist traders in calculating their prices and to see that the Order is properly carried out.

It is expected that this system of control will ultimately be extended to cover goods other than foodstuffs.

TRADE OF CUBA IN 1942 AND 1943

By J. L. MUTTER, *Canadian Trade Commissioner at Havana*

Suspension of the publication of Cuban trade statistics, imposed for security reasons when Cuba declared war on the Axis powers in December, 1941, has been lifted by the release recently of figures relating to the foreign commerce of this country during the calendar years 1942 and 1943.

Detailed statistics are not yet available, but it is understood that they will be issued shortly. In the meantime, the following general tables of imports and exports by countries and commodity groups have been published by the Cuban National Treasury Department:—

Cuban Exports by Countries

	1942	1943
United States	\$164,108,618	\$295,619,906
United Kingdom	5,615,374	34,884,086
Canada	4,294,450	4,797,554
Switzerland	1,197,517	2,503,572
Argentina	1,150,852	2,284,241
Spain	641,477	2,249,021
Mexico	120,549	1,398,819
Portugal	53,552	458,044
Panama	545,210	523,941
Chile	293,528	416,799
Haiti	67,679	203,618
Dominican Republic	87,953	230,293
Russia	1,372,194	292,050
Sweden	39,519	125,048
Bahamas	65,643	188,649
Jamaica	63,961	676,359
Peru	131,213	199,631
All other destinations.....	2,526,125	3 571,136
Total	\$182,375,414	\$350,622,767

Cuban Imports by Countries

	1942	1943
United States	\$123,162,930	\$138,564,657
Argentina	3,495,217	7,442,544
Ecuador	1,539,568	5,911,337
Mexico	5,362,957	5,663,510
British India	3,368,680	4,280,901
Chile	1,949,814	3,521,935
United Kingdom	2,842,976	4,255,034
Dutch West Indies	1,136,573	1,803,965
Canada	1,311,813	1,736,526
Spain	528,243	1,191,982
Peru	202,462	937,062
Switzerland	405,047	927,744
Brazil	317,784	400,223
Portugal	125,171	173,447
Dominican Republic	509,069	137,503
Jamaica	2,543	101,217
All other sources	486,721	386,758
Total	\$146,737,569	\$177,436,346

Cuban Exports by Commodity Groups

	1942	1943
Animal and animal products.....	\$ 3,761,169	\$ 4,448,918
Stones, earths and mineral products	7,648,421	11,208,414
Metals and manufactures thereof	739,178	1,113,404
Forest products	1,331,374	3,410,279
Food products	7,380,240	16,335,416
Sugar and sugar cane derivatives	144,411,200	280,412,480
Leaf and manufactured tobacco	15,766,280	28,063,628
Chemical and pharmaceutical products, and perfumery	241,093	1,115,220
Miscellaneous products	1,096,459	4,515,008
Total	\$182,375,414	\$350,622,767

Cuban Imports by Commodity Groups

	1942	1943
Stones, earths, ores, glass and clay products..	\$ 12,487,103	\$ 15,409,682
Metals and manufactures thereof.....	7,673,443	8,750,658
Substances employed in pharmaceutical and chemical industries	17,011,934	18,233,519
Cotton and manufactures thereof	17,969,372	15,446,646
Other vegetable fibers and manufactures thereof including rayon and manufactures thereof..	15,811,055	17,365,251
Wool, bristles, hair and manufactures thereof..	1,571,825	1,672,121
Silk, and manufactures thereof	73,848	61,646
Paper and manufactures thereof	8,084,339	8,340,629
Wood and other vegetable materials and manufactures thereof	2,131,204	3,704,968
Animals and animal products.....	2,482,952	2,508,988
Instruments, machinery and apparatus employed in agriculture, industry and transportation	8,291,060	6,483,269
Food products: comestibles and beverages	44,591,866	61,748,743
Tobacco and manufactures thereof	170,433	202,697
Miscellaneous products	3,899,350	5,117,585
Free list*	4,487,785	12,277,318
Total	\$146,737,569	\$177,323,720

* *Note.*—The class "Free List" comprises special items the imports of which are granted duty exemptions by decree. They include such commodities as machinery, equipment, materials, etc., required for the establishment of new industries, the erection of government and other buildings hospitals, etc., and the requirements of public utility companies, etc. The total shown is largely made up of imports effected by such important wartime projects as the "Nicaro Nickel" mining development, as well as by others of lesser importance. It also includes the usual requirements of resident representatives of foreign governments, all of which are accorded duty-free entry.

TRADE IN 1944

Recently published monthly trade totals indicate that for the first four

months of the current year imports were valued at \$66,757,085, and exports at \$138,758,115.

TRADE OF URUGUAY IN 1943

By J. C. DEPOCAS, *Assistant Commercial Attaché at Buenos Aires*

(Unless otherwise indicated, all values are in United States dollars and volumes in short tons; comparative figures for 1942 are shown within parentheses)

The exportation of the 1942 and the 1943 wool clips during 1943, the heavier exports of meat and animal products (of which there were increased supplies owing to the slaughtering of a larger number of animals than usual during the first six months of the year, following the prolonged drought of 1942-43), combined with an import trade that was limited by shipping difficulties and a shortage of supplies in the countries of origin of the goods required by Uruguay resulted in a record favourable trade balance for Uruguay. Since 1940 the foreign trade of Uruguay has been as follows:—

Summary of Uruguayan Foreign Trade

	Exports	Imports	Balance
	Thousands of Dollars		
1940	66,428	54,934	+ 11,494
1941	70,846	63,135	+ 7,711
1942	57,775	63,662	— 5,887
1943	100,022	63,807	+ 36,214

The value of the 1943 exports, at Uruguayan pesos 157,746,679, was the highest in the history of the country.

Exports by Commodities

At \$100,021,697, exports exceeded by \$42,247,073 those of 1942, owing mainly to an increase of \$22,498,007 in the value of exports of wool, \$15,779,293

for those of meat and meat products, and \$3,701,554 for those of manufactured items (mostly woollen goods).

WOOL

The exports of wool in 1943 totalled 61,669 short tons (\$39,270,068) as against 20,977 tons (\$16,772,061) in 1942. The average price per ton dropped from \$797 to \$637, or by 20 per cent, a substantial decrease yet satisfactory, since Uruguay had to sell almost entirely to one country only, the United States, which bought 95 per cent of all the exports of wool. The remainder went to Sweden (3.40 per cent) and Brazil (1.43 per cent).

MEAT AND ANIMAL PRODUCTS

Exports of beef in 1943, with comparative figures for 1942, are shown in the accompanying table.

Uruguayan Exports of Beef

	1942	1943	Inc.+ or Dec.—
Chilled .....Short tons	36,648	29,135	— 7,513
\$	7,194,591	5,969,794	— 1,224,797
Canned .....Short tons	31,028	37,327	+ 6,299
\$	10,319,730	12,642,599	+ 2,322,869
Salted .....Short tons	1,188	2,217	+ 1,029
\$	237,344	629,358	+ 392,014
Packing-house .....Short tons	13,686	40,691	+ 27,005
\$	2,009,505	6,087,785	+ 4,075,280
Hot-packs .....Short tons	3,985	31,053	+ 27,068
\$	1,009,502	8,306,027	+ 7,296,525
Total .....Short tons	86,535	140,423	+ 53,888
\$	20,770,672	33,632,653	+ 12,861,981

The decrease in the exports of chilled beef and the increase in those of other quality meats, such as canned beef, hot-packs and packing-house products, are to some extent a consequence of the 1942-43 drought. During the first half of the year cattle were sold before they had reached the usual proper condition for slaughtering and, because the animals were underweight, a greater number had to be bought to produce a given tonnage of meat and, because they were below the chilled quality, the production of canned beef and hot-packs increased.

The aggregate exports of chilled and canned meats show a decrease of 1,214

short tons (home consumption was reduced by 30 per cent), but there were noteworthy increases in the exports of certain packing-house products—i.e. meat meal, 20,417 short tons as against 4,132; liver powder, 3,414 tons as against nil; bones, horns, etc., 6,326 tons as against 3,167; oils and stearine, 3,821 tons as against 1,327; and dehydrated meats, 634 tons as against none.

Exports of mutton increased substantially in 1943 over 1942, totalling 13,476 tons as against 7,172 tons, and being valued at \$3,031,590 as compared with \$1,673,627. Shipments of frozen mutton amounted to 10,956 short tons (5,500) valued at \$2,212,578 (\$1,150,245); canned mutton, 1,099 short tons (923) valued at \$322,405 (\$307,963); by-products, 1,421 short tons (749) valued at \$496,607 (\$215,419).

Exports of pork and pork products from Uruguay are never important.

HIDES

The next important items, among animal products are hides, mainly cattle hides, followed by lambskins. There were no exports of horsehides during 1943. The accompanying table shows the exports of cattle hides, with prices per ton, in 1943 and 1942.

The relatively small increase in the export of hides, in view of the larger number of animals killed, is accounted for by the greater demand created by the local leather-goods industry, which is enjoying a certain measure of prosperity, so much so that their offers, at times, were more interesting than the

Uruguayan Exports of Cattle Hides

	1942	Price per Ton	1943	Price per Ton	Inc.+ or Dec.—
Salted ...Short tons	24,509		20,022		— 4,487
\$	6,995,166	286	5,943,750	296	—1,051,416
Tanned ..Short tons	591		2,374		+ 1,783
\$	810,455	1,371	2,059,677	867	+1,249,222
Dry .....Short tons	2,500		5,557		+ 3,057
\$	701,221	280	1,594,512	287	+ 893,291
Total ..Short tons	27,599		27,953		+ 354
\$	8,506,842		9,597,939		+1,091,097

current export prices. On the other hand, the quality of the hides from poorly fed animals was inferior and the thickness was not always uniform. The result was that, while good prices could be had for the higher-quality hides, even reduced prices could not induce buyers, local or foreign, to accept the poor qualities.

to enjoy, within the limit of her production and so far as Argentine competition permitted, a share of this new trade. Reductions in both value and volume of exports of these commodities might be regarded as an indication that their continuance will not be permanent. The table on the following page shows exports in 1942 and 1943.

Uruguayan Exports of Lambskins

	1942	1943	Inc.+ or Dec.—
Pickled .....Short tons	345	995	+ 650
\$	133,227	308,989	+175,762
Dry .....Short tons	2,994	1,225	— 1,769
\$	969,543	347,703	—621,840
Tanned .....Short tons	78	43	— 35
\$	10,737	27,679	+ 16,942
Total .....Short tons	3,417	2,263	— 1,154
\$	1,113,507	684,371	—429,136

The lambskin trade was dull during the year, especially for the dry skins; exports were reduced by almost 60 per cent, while prices advanced by only 10 per cent. The table shows the volume and value of exports of lambskins in 1943, with comparative figures for 1942.

The pastoral industry of Uruguay, which accounts for 86 per cent of all the export trade, is the backbone of the country's economic structure.

AGRICULTURAL PRODUCTS

The exports of commodities under this heading are limited to a few, of which flaxseed is the only regular export item. However, the urgent need in belligerent nations for some of these products which were traditional trade items of other countries (such as olive oil from Italy, now unavailable) has permitted Uruguay, which could supply an identical product or a substitute,

MANUFACTURED GOODS

Like other countries which formerly relied on foreign sources for their requirements of manufactured goods, Uruguay was afforded an opportunity, when supplies from abroad were exhausted or diverted to the war effort, to establish or develop certain industries. Most of them have been able to operate under currently favourable conditions but cannot be expected to continue when hostilities cease unless under tariff protection. The woollen industry may be able to carry on, even if left to itself, and to retain a hold on the local market and share in sales to neighbouring countries. The Uruguayan woollen mills have been operating twenty-four hours a day for some years now, and a considerable part of their production has been for the United States and other countries.

In 1943 the exports of manufactured goods, valued at \$6,720,063, represented

Uruguayan Exports of Agricultural Products

	1942	1943	Inc. + or Dec. —
Natural products—			
Linseed .....Short tons	38,695	41,390	+ 2,695
	\$ 1,801,655	1,889,430	+ 87,775
Wheat .....Short tons	6,063	4,892	— 1,171
	\$ 118,729	85,110	— 33,619
Rice .....Short tons	1,327	845	— 482
	\$ 102,157	79,004	— 23,153
Sub-total .....Short tons	46,085	47,127	+ 1,042
	\$ 2,022,541	2,053,544	+ 31,003
Processed products—			
Edible oil .....Short tons	3,929	693	— 3,236
	\$ 652,820	110,309	— 542,511
Wheat flour .....Short tons	443	6,369	+ 5,926
	\$ 18,705	247,794	+ 229,089
Linseed oil.....Short tons	872	985	+ 113
	\$ 147,586	214,316	+ 66,730
Others .....Short tons	1,698	443	— 1,255
	\$ 107,695	18,695	— 89,000
Sub-total .....Short tons	6,942	8,490	+ 1,548
	\$ 926,806	591,114	— 335,692
Grand total .....Short tons	53,027	55,617	+ 2,590
	\$ 2,949,347	2,644,658	— 304,689

a 100 per cent increase over those of 1942, and for each year the amount is accounted for chiefly by woollen products, including: woollen fabrics, \$1,-761,082 (\$589,807 in 1942); wool thread, \$1,562,315 (\$1,206,467); blankets, \$449,350 (\$169,204); carded wool, \$725,042 (\$684,037); cashmere, \$271,141 (\$83,956); wearing apparel, \$303,751 (nil).

Extractive Industries

Exports of the extractive industries consist of sand, gravel, stone, and cement, all of which go to Buenos Aires, which is a steady market so long as there are building activities in that city. In 1943 there was a substantial advance in the price of sand, stone, and gravel. Exports were as follows: sand, 1,438,436 short tons valued at \$688,357 (1,444,379 tons at \$1,310,865 in 1942); gravel, 77,280 tons at \$121,800 (57,814 tons at \$22,878); stone, 48,433 tons at \$77,426 (82,335 tons at \$42,796); and Portland cement, 10,056 tons at \$217,444 (5,610 tons at \$126,776).

There is no mining industry in Uruguay.

Export Trade by Countries

Uruguay's export trade is limited to meat and animal products and largely

to two countries: the United States and the United Kingdom. Exports to the United States in 1943 were valued at \$54,056,000 (\$25,017,000 in 1942), which includes \$37,000,000 (\$11,823,-664) for wool, and those to the United Kingdom had a value of \$33,000,000 (\$18,000,000), made up of meats and animal products.

The remainder of the exports were distributed as follows: Sweden, \$2,780,-000 (\$6,447,000 in 1942); Argentina, \$2,491,000 (\$1,561,000); South Africa, \$2,038,351 (\$1,832,000); and Brazil, \$1,854,000 (\$1,663,000). The remaining 4 per cent is divided between other Latin American countries and Spain, with Colombia at the top of the list with \$832,565. Exports to the United States comprised the following items: greasy wool, \$29,202,827 (\$6,196,514 in 1942); washed wool, \$7,514,408 (\$4,-787,550); canned meat, \$6,476,624 (\$4,442,018); salted cattle hides, \$2,-796,225 (\$3,816,969); dry hides \$1,673,469 (\$313,289); meat extract, \$1,398,230 (\$7,082); liver powder, \$364,727 (\$1,886); woollen blankets, \$358,157 (\$120,716).

Exports to the United Kingdom were made of the following: chilled beef, \$5,917,903 (\$7,138,875 in 1942); canned meat, \$5,826,471 (\$3,512,224);

dehydrated meat, \$616,731 (nil); hot-packs, \$8,681,000 (\$3,492,253); frozen mutton, \$2,210,164 (\$1,150,245); salted hides, \$2,876,268 (\$2,577,751); flaxseed, \$1,308,000 (nil). Sweden's purchases comprised \$1,277,515 (\$4,166,240) for washed wool, \$701,000 (\$641,373) for carded wool, and \$291,425 (\$557,504) for wool thread.

Exports to South Africa were made up of: woollen fabrics, \$1,101,673 (nil in 1942); tanned hides, \$302,948 (\$213,-

242); wearing apparel, \$259,533 (nil); rice, \$79,000 (\$45,109); and canned meats, \$10,790 (\$1,455,923). Argentina bought: sand, \$1,310,865 (\$688,357); wool thread, \$532,400 (\$431,892); gravel, \$121,080 (\$25,390); and stone, \$77,426 (\$42,796).

The main exports to Brazil were: wool, \$543,871 (\$28,655); linseed, \$123,596 (\$200,330); used machinery, \$112,257 (nil); tanned hides, \$118,670 (\$13,912).

ECONOMIC, TRADE AND PRODUCTION NOTES

Egypt

COTTON ACREAGE

The Egyptian cotton acreage this year is officially placed at 852,949 feddans as against 712,810 feddans last year (one feddan is equal to 1.038 acre), according to a Reuter report. In 1942 the acreage was 705,890 feddans, but in the three previous years it ranged between 1,625,000 and 1,685,000 feddans.

South Africa

NEW ENGINEERING WORKS

A large engineering plant, covering 300 acres, to manufacture a variety of mass-produced and specialized articles, is to be built on the banks of the Vaal River, near Vereninging and forty-five miles from Johannesburg, according to an official announcement reported in the overseas press. The new plant will be close to the new steel works on the Vaal and has been planned by Dr. van der Bijl, Director-General of Supplies in the Union.

NEW GRAVING DOCK IN CAPE TOWN

The new graving dock which has been under construction in Cape Town for some time is expected to be ready for use in 1945, writes H. L. Brown, Canadian Trade Commissioner at Johannesburg. Reports indicate that it will be the largest dock in the southern hemisphere, being 1,200 feet long, 150 feet wide and 50 feet deep; thus

exceeding the size of the new Sydney dock by 60 feet in length, some two feet in width and five feet in depth. The cost is expected to be about £2,500,000. The possibility of future development in shipping construction was the determining factor in the decision to make the dock wider and deeper than the 137 feet and 45 feet originally planned. The caissons for operating the dock will be constructed on the floor of the dock and later floated into position.

By means of a floating caisson and two inner caisson grooves, the dock can be divided into convenient portions to accommodate large or small vessels. At ordinary spring high-water tide the dock will contain 53 million gallons of water, which can be pumped out in $4\frac{1}{4}$ hours and flooded in $1\frac{1}{4}$ hours. Commanding the dock will be one 50-ton, one 10-ton and two 5-ton electrically-driven dockside cranes.

The construction of this dock has been expedited by wartime conditions. Early in 1942 the United Kingdom Government offered priority for the necessary machinery and plant required to complete the project as a war measure. The driving of sheet-steel piles was commenced on March 1, 1943, and the closing pile of the earth coffer-dam was driven on August 9, 1943, being the last of 3,240 varying in length from 35 feet to 60 feet. Dewatering of the site was commenced on August 5, 1943, and completed eighteen days later.

New Zealand

VALUE OF FARM MACHINERY

Considerable interest has been shown of late in primary production circles in the capital involved in machinery on wheat-growing farms, writes C. B. Birkett, Acting Trade Commissioner in Auckland. The failure to bring into production the objective of 300,000 acres in wheat and the prospect of the continued decline in wheat acreage is the cause of this concern, since the estimated value of the machinery for wheat purposes represents a high percentage of the value of machinery for all farm purposes, and it would be an economic loss if this machinery is employed only part time.

In 1931 a Select Committee, appointed by the House of Representatives to investigate costs of production, estimated the value of plant in and around the average farm at £500. Farms in New Zealand at that time included some 6,000 wheat-growers, making a total capital involved of £3,000,000. It was further estimated then that of this value £2,250,000 was concerned with wheat growing.

The authorities to-day reckon that the value of machinery on the average wheat farm is in the neighbourhood of £1,000. In 1931 agricultural tractors in the country numbered 5,023; increasing in 1942 to 13,967. On the basis of the 1931 findings, the number of agricultural tractors employed on wheat farms at present would approx-

imate 3,000. At to-day's current average value of £500, these could be assessed at £1,500,000; the comparative value of tractors in 1931 is put at £300,000.

According to the report from which this information is drawn, harvesters represent a much more striking illustration of the increase in the cost of equipping a wheat farm with machinery. The first header harvester was introduced in 1929. Next season there were seven, and twenty-five is the figure given for 1931. The trade to-day estimate there are now about 15,000 header harvesters in operation. As the cost of these machines averages about £600, their value approximates £900,000.

Every other implement on the farm has increased in price by 30 to 50 per cent since the outbreak of war, so that, if the estimated value of £2,250,000 in 1931 was correct, the figure to-day would probably exceed this. Moreover, this figure is to be viewed in the light of the reduced labour employed.

The report goes on to state that, in the absence of statistical data, estimates of this nature cannot be regarded as more than an approximation. They are nevertheless sufficiently near the mark to indicate the economic loss if, through the further decline of wheat growing, tractors and ploughs and drills and headers were only employed part time. The authorities agree that but for the wheat industry not half of the machinery would be on farms to-day.

MR. MUTTER TO VISIT HAITI AND THE DOMINICAN REPUBLIC

Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, will leave Havana about November 20 for a month's visit to Haiti and the Dominican Republic in the interest of Canadian trade with those countries.

Canadian exporters interested in trading with Haiti or the Dominican

Republic and wishing to have inquiries or investigations made for them in one or both of these republics should communicate as early as possible with Mr. Mutter. Mr. Mutter's address for letters is Apartado 1945, Havana, Cuba.

TRADE REGULATIONS AND TARIFF CHANGES

Australia

FURTHER RELAXATION OF NEWSPRINT RATIONING

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, Australia, advises under date August 29 that the Australian Minister for Trade and Customs has announced that, with effect from October 1, all daily, Sunday and weekly newspapers will be allowed an additional newsprint quota of 20 per cent, based on their allocations for the quarter ended September 30, 1943.

The total allotment that will be available to newspapers from October 1 will be equivalent to the allocations which were in operation for the quarter mentioned above plus 45 per cent. The quota may be used by the newspapers in any manner consistent with production, subject to the reservation of space for government advertising as required up to $2\frac{1}{2}$ per cent out of the 45 per cent. This additional newsprint will permit the publication of a minimum of thirty-six broad-sheet pages weekly on the present circulation.

Apart from the provision for government advertising, this is the fourth occasion on which the quota allotments

have been increased since September, 1943, namely, 5 per cent from October 1, 1943, an additional $7\frac{1}{2}$ per cent from April 1, 1944, an additional 10 per cent from June 1, 1944, and now another 20 per cent.

This additional allocation will apply until December 31, 1944, and may be further extended, depending on the supply position at that date.

St. Kitts-Nevis

DUTY REDUCED ON WHISKY AND CIGARETTES FROM NON-EMPIRE COUNTRIES

A resolution of the St. Kitts-Nevis Legislative Council of July 13, 1944, reduced the general tariff on whisky from 22 to 20 shillings per gallon if underproof and from 22 to 20 shillings per proof gallon if overproof, the British preferential tariff remaining unchanged at 16 shillings 8 pence per gallon if underproof and at the same rate per proof gallon if overproof. At the same time the general tariff on cigarettes was reduced from 12 shillings 6 pence to 11 shillings 5 pence per pound. No change was made in the British preferential, rate which remains at 10 shillings 6 pence per pound.

FOREIGN EXCHANGE CONTROL REGULATIONS

BELGIAN CONGO AND RUANDA-URUNDI EXCLUDED FROM STERLING AREA

The United Kingdom has entered into a financial arrangement with the Governments of Belgium and Luxembourg which will have the effect of treating as one group Belgium, Luxembourg, the Belgian Congo and the Mandated Territory of Ruanda-Urundi, which will be known as the Belgian Monetary Area, according to a recent announcement of the Foreign Exchange Control Board. The provisions of this arrangement became

effective at once so far as concerns the Belgian Congo and Ruanda-Urundi.

Effective immediately, the Belgian Congo and Ruanda-Urundi, the announcement stated, were excluded from the definition of the "sterling area" under the Foreign Exchange Control Regulations. The effect of this is that transactions with residents of the Belgian Congo and Ruanda-Urundi in future may be dealt with in the same manner as transactions with residents of other non-sterling area countries outside continental Europe and China.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 30, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 30, 1944, and for the week ending Monday, October 23, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 23	Nominal Quotations in Montreal Week ending Oct. 30	Official Bank Rate
Great Britain... .. Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States... .. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico... .. Peso	.4985	.2284	.2284	4
Jamaica... .. Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina... .. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2759	.2759	—
Brazil... .. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana... .. Dollar	1.0138	.9313	.9313	—
Chile... .. Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia... .. Peso	.9733	.6358	.6358	4
Venezuela... .. Bolivar	.1930	.3330	.3330	—
Uruguay... .. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6022	.6022	—
South Africa... .. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt... .. Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India... .. Rupee	.3650	.3359	.3359	3
Australia... .. Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand... .. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 633. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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POST-WAR PLANS OF THE UNITED KINGDOM GROCERY TRADE

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

A large proportion of Canadian exports to the United Kingdom is distributed to the United Kingdom public through the medium of the grocery trade. Particular interest therefore attaches to certain aspects of the report and recommendations of the Post-War Plans Committee of the National Federation of Grocers' and Provision Dealers' Associations of the United Kingdom, which have just been published.

Food Control

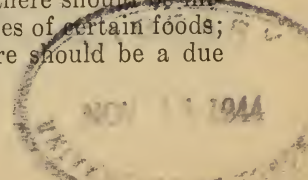
As regards food control during the post-armistice period, the Committee expresses the following views:—

(a) Straight-rationing should be continued, with such increases in the rations as may be progressively pos-

sible until 101 per cent supply to 100 per cent demand is reached and in continuous prospect.

(b) The Points Scheme should be continued and the specific foods or food groups at present on points should so remain until the supply position of any specific food or food group reaches 101 per cent to 100 per cent demand with prospect of continuance. Expanding supplies of a points food or food group should be met by increasing the points purchasing entitlement of consumers rather than by down-pointing the foods affected.

(c) Simultaneous with increases of quantities of foods there should be improvement in qualities of certain foods; in other words, there should be a due



balancing of quantity and quality increases.

As soon as possible there should be:—

(d) Cancellation of the Sugar/Preserves Switch Scheme.

(e) Abolition of the return system and sanction given for sale by the retailer of unappropriated entitlement of any straight-rationed food to his registered customers.

(f) Abolition of obligation upon retailers to hold fourteen days' stocks of sugar, tea, preserves, margarine and cooking fat.

(g) Abolition of Zoning, Sector and Wholesalers' War Time Association Schemes, thus giving retailers and, therefore, consumers a wider choice of varieties of foods.

The Committee considers that for a period after the war the price-labelling of pickles and sauces and other articles (whether by Ministry of Food direction or by voluntary wartime arrangement) should be continued. When de-control takes place, the Grocery Proprietary Articles Council should consider whether price-labelling should or can be a permanent feature for price-protected foods.

Maximum price orders should, in the opinion of the Committee, continue to operate until there is a sufficient supply of any price-controlled food and continuous prospect of such supply. Looking further ahead into post-war years, the Committee think there should continue to be a Ministry of Food. They consider that continuance of a separate Food Ministry will be the best assurance of protection of consumers' interests and will provide the best method of consultation with and reasonable safeguards for all sections of food trades. If it becomes necessary for the Ministry of Food as such to be terminated, it is thought that it should become a separate department of the Board of Trade.

This recommendation is based upon the need for avoidance of violent fluctuations of food prices in relation to wages, stabilization of food prices,

quality standards and maintenance of a national nutrition policy. The Committee regard it to be essential that there should be full consultation with the responsible representatives of the food trades organizations. The war-time machinery for such consultation should be overhauled and where necessary reorganized.

Price Protection

The Grocery Proprietary Articles Council, the Committee considers, should continue to be under the auspices of the National Federation of Grocers' and Provision Dealers' Associations in conjunction with manufacturers of proprietary articles and supporting retail and wholesale organizations working through a joint committee of the three sections. It regards this as a primary plank in the platform of post-war security. The post-war policy and purpose of the Grocery Proprietary Articles Council should be the assurance of reasonable profits to the trade to enable retail grocers to get a fair living and to pay reasonable wages to their employees, and the elimination of methods and practices which harassed the trade in the pre-war years.

Food Standards

Full support should be given to the making and enforcement of reasonable minimum quality standards for manufactured foods. The Government should fix such standards after consultation with the interests concerned, and therefore the Committee welcomes the fact that the Minister of Food has substantially taken over the duties of the Minister of Health in this matter as laid down in the Food and Drugs Act, 1938. Reasonable quality standards for food are in the best interests of consumers and of honest traders. Low-quality foods or rubbishy "substitutes" should not be permitted to be sold, and therefore the making and enforcement of minimum quality standards are essential to a sound national nutritional policy.

Standardization of Food Containers and Contents

Continued support should be given to the British Standards Institution, which has done most useful work before and during the war on standardization of food containers. The elimination (wherever possible) of deceptive container sizes and of "nominal" weights of contents are eminently desirable objectives. The war has proved, for example, that jam can be packed and sold by definite weights of 1 pound and multiples of 1 pound by all manufacturers, and that nominal 1s, 2s and 3s can, be dispensed with.

Certain minimum standards of composition have been imposed by war conditions, although the raw material supply position has necessitated these standards being on the low side. Under improved supply conditions these standards should be considerably and justifiably raised.

The Committee attaches great importance to these matters, of which the need for a drained-weight minimum standard for canned fruit is one example. There should be no return of the practice of selling standard-sized containers with sub-normal contents or using containers which looked as big as the standard packs but which were so made as to ensure a substantial reduction in capacity.

In this connection it is specially noteworthy that the United Nations Conference on Food and Agriculture recommended that an Interim Commission should (*inter alia*) "promote the standardization of containers, both nationally and internationally" and expressed the opinion that "lack of standardization gives rise to waste and confusion in the distribution of food."

Weights and Measures

The Committee advocates amendment of the Sale of Food (Weights and Measures) Act 1926 so as to bring wholesale transactions within its scope. With regard to all foods to which the net-weight provisions apply on sales by retail, the same obligation should apply to sales by wholesale. Retailers should be assured of the correct weight, measure or number of any foods sold to them, in the same way as they are required to supply their customers with the correct weight, measure or number of the foods sold by them. This obligation should apply to all transactions between the retailer and his immediate wholesale supplier. If a producer makes direct supply to a retailer, he should undertake the full responsibility of a wholesaler. The present anomalous position should be remedied by legislation.

London, October 11, 1944

WARTIME AGRICULTURAL PRODUCTION IN THE UNITED KINGDOM

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

Figures showing the United Kingdom acreage of crops, crop production and live-stock population have recently been released by the Ministry of Agriculture for the first time since the issue of statistical information was suspended at the beginning of the war. The record is impressive.

As indicated in the appended table, the 1943 harvest in the United Kingdom yielded the following increases over the figures for 1939, which was a good year: wheat, 1,804,000 tons;

barley, 749,000 tons; oats, 1,056,000 tons; mixed grain, 321,000 tons; rye (threshed), 85,000 tons; potatoes, 4,606,000 tons; sugar beet, 231,000 tons.

The production figures reflect the acreage changes, but it is pointed out that yields per acre in the war period have generally been good. Taking England and Wales figures over the period 1940-43 as illustrative, the Ministry states that the production of wheat has been above average in each year except 1941; in 1942 the yields

were exceptionally high, and in 1943 were very good indeed. Barley yields have followed the same course. The yields of oats have been above average in every year. Potatoes have shown averages of 7 tons or more each year as against the 1930-39 average of 6.6 tons per acre. The difference which good potato yields have made to the

diminishing steadily for many years. In Britain it is physically impossible to bring any great new areas into cultivation, although during the war the acreage brought out of the uncultivated state has been considerable. But this reclamation has been outweighed by the acquisition of agricultural land for military and industrial purposes, and

United Kingdom Crop Production

	1936-38	1939	1940	1941	1942	1943	1944*
			Figures in 1,000 Tons				
Wheat	1,651	1,645	1,641	2,018	2,567	3,449	3,142
Barley.....	765	892	1,104	1,144	1,446	1,641	1,749
Oats	1,940	2,003	2,892	3,246	3,553	3,059	3,051
Mixed grain.....	76	73	226	438	463	394	352
Rye (for threshing)	10	10	11	26	45	95	90
Sugar beet	2,741	3,529	3,176	3,226	3,924	3,760	3,873
Potatoes	4,873	5,216	6,404	8,010	9,393	9,822	9,859
Turnips and swedes for fodder ..	10,994	10,100	10,815	12,026	13,224	11,991	11,627
Mangolds	4,082	4,069	4,219	5,107	5,426	5,805	5,459
Seeds hay	2,676	2,586	2,652	2,451	3,057	3,435	3,250
Meadow hay	4,999	5,203	4,358	4,175	3,604	3,238	2,385

* Estimated.

food supply can hardly be over-emphasized. Seeds-hay yields were below average in 1940 and 1941 and above in 1942 and 1943. The new leys may be expected to effect a noteworthy improvement in production. Meadow-hay yields have been below average in each year except 1943.

1944 Prospects

The figures for 1944 as shown in the foregoing table represent the latest forecasts. Progress was made with the cereal harvest during the greater part of August last, but conditions have been less favourable subsequently, to the detriment of quality. It is expected that wheat and barley will yield more than an average weight per acre and that oats will be about average. Beans and peas have not shown good results this season. The potato crop should be average on the whole. Sugar beet production will probably be below average. Hay yields have been disappointing; meadow hay has been an especially light crop.

Acreage of Crops

The total crops and grass area in the United Kingdom has, owing to the "bricking-up" of the country, been

the crops and grass area in the United Kingdom has actually been reduced by 600,000 acres.

The root of the wartime acreage changes lies in the extensive ploughing of permanent grasslands in successive war years. Arable land now forms 62 per cent of the present crops and grass area in the United Kingdom; the corresponding proportion in 1939 was 41 per cent.

The maximum wartime acreage in wheat was reached in the "crisis year" 1943, when the area sown in England and Wales was 3,276,000 acres. This was the highest recorded since 1869.

The acreage in barley has also increased steadily through the war years. The home crop has had to replace imported malt barley and as a bread cereal made its contribution in 1943.

Oats and mixed corn have been the staple crops for cattle and horses in the absence of imported feeding-stuffs, and the expansion in the oats acreage has made it possible greatly to increase the production of oatmeal.

Potato acreage has more than doubled during the war years and is much greater than at any time in the country's history. Special efforts were made to foster this "insurance" crop;

717,000 acres have been added to the potato area in the United Kingdom.

Sugar beet was only an experimental crop during the 1914-18 war years, and the large area developed after 1925 has been of inestimable value. A total of 434,000 acres were planted to sugar beet in 1944, and the yield is now sufficient to provide the domestic sugar ration. Figures of flax for fibre and for linseed are not shown separately in the agricultural statistics. The development of flax production in Great Britain has been one of the outstanding achievements of the war. The acreage grown for fibre in England and Wales in 1939 was insignificant; in 1944 it had risen to 51,000 acres. Northern Ireland farmers have increased their plantings from 21,000 acres in 1939 to 125,000 acres in 1944. With the fall in the permanent grass acreage, a reduction in the area devoted to hay was inevitable. There has been an increase, although not an equivalent one, in the acreage of the higher-yielding temporary grass reserved for mowing.

Live Stock

Despite the drawbacks to live-stock production resulting from wartime conditions, the cattle population has risen appreciably since 1939 and is now higher than it has ever been. Over the period covered by the agricultural

returns, cattle numbers increased steadily (although not continuously and uniformly) from more than 4,000,000 around 1870 to 5,000,000 in the 1880's and to 6,000,000 during the last World War. The figures for England and Wales for the year 1944 are 7,209,000. The wartime increase in cattle numbers largely reflects efforts to promote milk production—a prime object of government policy. The milking herds and their replacements have increased, while animals raised for beef have been reduced in number. While the milking herds have increased and, with horses for essential purposes, have been given first call on the available feeding-stuffs, it has been difficult to maintain yields. However, the total supply of milk for human consumption, whether in liquid form or made into farm or factory products, is estimated to exceed the pre-war level. The quantity manufactured and used for stock has been reduced, and the gallonage going into consumption as fresh milk is estimated to have increased by 37 per cent between 1938-39 and 1943-44.

On the other hand, the numbers of sheep and lambs have declined between 1939 and 1944 from 17,986,000 to 12,632,000, pigs from 3,515,000 to 1,467,000, and poultry from 56,426,000 to 31,907,000. These figures are for England and Wales.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

9. THE FUR TRADE*

By I. S. McARTHUR, *Acting Chief, Agricultural Statistics Branch,
Dominion Bureau of Statistics,*

and

W. M. RITCHIE, *Chief, Fur Inspection and Grading Service,
Department of Agriculture*

The value of the fur trade to Canada cannot be measured on a dollars and cents basis. Like gold, spices and other highly desired products, furs were an important incentive to the voyages of exploration from Great Britain and Continental Europe in the early days of the Western Hemisphere.

Origin and Growth

From the earliest times the Basque and Breton fishermen operating upon the "Banks" had traded for furs. As the French court demanded more and more furs, adventurers came for the latter trade exclusively. Pont-Grave and Chauvin built Tadoussac in 1599

* This article has been prepared largely from previously published material.—Authors.
19561—2

as a centre for this trade with the Indians of the Saguenay, and when trade routes were discovered farther inland, the founding of Quebec and Montreal followed.

From the first the French Government granted monopolies to the fur trade, always on the condition that the Company should bring to Canada a stated number of settlers. But settlement and the fur trade could never go together. By driving fur-bearing animals farther afield, settlement made trading increasingly expensive, and the great profits of the fur trade, together with its freedom and romance, took all the adventurous from the rational pursuits of a settler. Trade spread west and south by the river routes, convoys bringing the furs yearly to Montreal and Quebec. The de Caen Company in the seventeenth century sent yearly to France enormous quantities of pelts. "Beaver" was then made the Canadian currency.

In the meantime, English navigators had been seeking a northwest passage to the Orient. By 1632 their efforts came to an end with little practical result. Hudson Bay, however, had been navigated, so that when the first English fur-trading ships came some years later, they sailed by these routes to a safe harbour. The first expedition (1668) came at the urging of Radisson and Groseilliers, two French *coureurs-de-bois* who had travelled in the rich fur country north of Lake Superior. They had sought aid in France but, being repulsed, turned to England.

In 1670 the charter of the "Adventurers of England trading into Hudson Bay" was obtained by Prince Rupert, who became the first Governor of the Company now known as the Hudson's Bay Company (whence the name Rupert's Land). On the granting of the charter a second expedition set forth, the ships well laden with merchandise to be used in barter with the Indians and with supplies for new trading posts.

Fortes were built on Hudson Bay and James Bay, at the mouths of rivers,

and here the Company bartered with the natives. From the first the relations with the Indians were friendly, and the Company soon won their confidence by fairness in barter and by help in time of want. As a result the Indians carried to the Company's posts their harvests of pelts and the ships returned to England each year well laden with furs, the proceeds from which gave to the "Gentleman Adventurers" generous rewards for their vision and for the investment which had made possible the utilization of this rich domain.

During the struggle between the English and the French, which commenced about 1685, the Company sustained heavy losses, and no dividends were paid. With the English victory came a new era of prosperity, additional posts were built; more and more Indians came to trade; great cargoes of furs were sent to England; and the shareholders again received substantial dividends on their stock.

With the Seven Years' War the fur trade from the south passed out of the hands of the French, and until 1771 the English were busy rediscovering the old French routes to the West. The discoverer of a new fur district was followed by competitors and in the competition which followed many were ruined and left for new fields.

There have been great changes in the fur trade. The railway first revolutionized conditions throughout the country, and more recently the advent of the motor vehicle has influenced the extension of highways to the borders of settlement and beyond. Boats ply the lakes and rivers, and the aeroplane is requisitioned for the transportation of furs from the more inaccessible districts. The advance of lumbering, mining and agricultural settlement, together with improved methods of capture, have driven fur-bearing animals farther and farther afield, and caused serious reduction in their numbers.

To guard against further depletion and to ensure the prosperity of Can-

ada's great wild-life heritage, the Dominion and provincial governments have adopted, in co-operation, a strong policy of conservation.

Fur Farming

Since the early days of the fur trade, it has been the practice in Canada for trappers to keep foxes alive until the fur was prime, and from this custom has arisen the modern industry of fur farming.

The earliest authentic record of the raising of foxes in captivity comes from Prince Edward Island, where about sixty-five years ago a number of foxes was raised on a farm near Tignish. The beauty of the fur of the silver fox and the consequent high prices realized from the sale of the pelts caused attention to be directed chiefly to this breed, a colour phase of the common red fox, which has been established through selective breeding carried on by the pioneer fox farmers.

After 1890 there came a period of rising prices for furs, and the fox-farming industry grew rapidly. While experiments were being carried on in Prince Edward Island, attempts at raising foxes in captivity were also being made in other provinces, the records showing that foxes were successfully bred in Quebec in 1898, in Ontario in 1905, and in Nova Scotia in 1906.

Fur farming is now carried on in all provinces of the Dominion and the number of farms is steadily increasing. The recognition of the importance of fox farming as a branch of the livestock industry is indicated by the addition, during 1925, to the system of Dominion experimental farms and stations of an experimental fox ranch at Summerside in Prince Edward Island, where the fox farmer's problems of breeding, feeding, housing and general care can be specially studied.

Although the fox was the first to be raised in captivity, many other kinds of fur-bearing wild animals are now being raised—mink, raccoon, skunk, marten, fisher and rabbit. Mink

farms are the most numerous of the miscellaneous class, raccoon farms coming next.

CHANGES IN TYPE OF FURS

From 1920 to 1939 there was a rapid expansion of fur farming in Canada and during that period there was a marked change in type of furs which were most acceptable to the market. Black fox was popular 25 years ago. A few years later the highest prices were being paid for quarter and half silvers and during recent years the full silver and new types have been setting the upper price limit. The development of a new-type fox and mink has proven to be a new incentive to the fur-farming industry. New-type fox such as platinum, platinum silver, pearl platinum and white marked are meeting a ready market as are the new-type mink, including silver sable, platinum silver blue, snow-white and a number of other colour phases.

GOVERNMENT GRADING

In 1939 the Dominion Government introduced the grading of furs under the Department of Agriculture. One of the Department's main objectives in grading is to secure uniformity. By accomplishing uniformity it offers an opportunity of buying by grade without the necessity of buyers from foreign countries personally examining the pelts.

Grading offers many benefits to the producer as well as to the trade in general. Among other benefits are the following:—

- (1) It educates the rancher as to the proper value of his pelts, and creates an incentive to improve the quality of his product.
- (2) It furnishes much-needed guidance in the planning of future matings.
- (3) It raises the standard of quality of the entire crop of pelts.
- (4) It raises the level of prices for the higher-quality pelts.

Export Markets

A century ago the value of the export trade in furs from Canada exceeded that of any other product. With the development of agriculture and other industries this position has changed, but furs have remained an important item in Canada's export trade. Canada continues to be one of the great fur preserves of the world. France was the earliest market for Canadian furs, but Great Britain predominated after the establishment of the Hudson's Bay Company.

From 1875 to 1900 the value of exports of undressed furs ranged from \$1 to \$2 million, with the major portion of the movement going to the United Kingdom. A gradual increase in the total value of exports up to \$5 million occurred from 1900 to 1914. During and shortly after the first World War the unit value of pelts rose rapidly and the value of exports increased to over \$20 million.

EFFECTS OF UNITED STATES TARIFF

In 1922 the United States Government imposed a duty of 50 per cent on the value of silver and black fox pelts (this was later changed to 35 per cent) and 15 per cent on live foxes entering their country. Immediately American breeders started to develop a distinctive type of silver fox. The lead was taken by certain breeders, who developed and standardized a large, heavily-furred, wide-barred, pale silver fox, quite unlike the more desirable Canadian types. After they had produced these in considerable numbers they organized a live-stock selling campaign. As a result, hundreds of ranches sprang up in the United States stocked with this type, so that when they came into pelt production on a large scale, they yielded thousands of foxes quite unlike the Canadian types, which were of a darker colour phase. The Canadian breeder, therefore, suffered for two reasons: (1) the imposition of the American duty, and (2) the type of pelt he had for sale was not as popular

with the consumer as the pale American type.

As a consequence of the American tariff, shipments of Canadian pelts formerly made to the United States market were diverted to London, and the continued sale of live stock throughout Canada relieved what at first appeared to be a grave situation. Actually, at that time the Canadian silver-fox industry had its greatest period of development and prosperity. With few breeding foxes or pelts being sent into the United States market as a result of the tariff, higher price levels prevailed in that country, and these were constantly reflected throughout all world markets, including the London market, to which Canadian pelts were being shipped.

LONDON MARKET

London, with its world-wide connection, was providing a marketing outlet for enormous quantities of pelts and it was soon found that the United States market was not essential to Canadian breeders. With the exception of the early years of the depression and until 1937, Canadian breeders enjoyed increased prices from all markets as a result of the prevailing higher prices in the United States.

EFFECT OF QUALITY ON PRICE

As time went on, increasing quantities of Canadian pelts were marketed. There was no way to regulate the production of any type of foxes except through the willingness of breeders to co-operate with each other and their determination and sincerity in producing a first-class product. Previously fine silver fox pelts enjoyed a justifiable popularity, but within a few years that popularity waned somewhat, because some fur breeders made the mistake of producing and selling large numbers of ordinary and low-grade pelts. Their emphasis was on quantity instead of quality and large quantities of ordinary and low-grade skins competed on the same market

with the high-class pelts. The low-quality skins decreased the demand for the finer ones and lowered the prices on the better pelts to a level not far above that of the poorer grades. This resulted in a tremendous loss to the producers. That was what was happening prior to the outbreak of war.

Several branches of Canadian industry were adversely affected by the impact of war, amongst which was fur farming. Because of the exigencies arising out of the conflict, the London market, which in normal times took about 80 per cent of the total production of Canadian fox furs, was lost. With the loss of this market, other outlets had to be explored.

The United States, fearing their market would become flooded with pelts from Canada and other countries, imposed a quota in 1939, limiting imports from all countries to only 100,000 units annually. Of this quota, Canada's portion was 58,300 units for the year, and not more than 25 per cent of this quota was allowed entry in any one month. Under the original quota arrangement each piece, head, paw, tail, or finished article was considered a unit for quota purposes.

During the first month of 1939 sufficient pelts, chiefly of inferior quality, pieces, and tails, were presented for entry to fill the quota for the whole year. Although, as pointed out above, only 14,575 units were allowed entry in that month, the greater portion was held over and presented for entry at each opening day of the quota in subsequent months.

In order to avoid recurrence of this situation in the 1940-41 season, government grading was established and qualitative restrictions were placed on the export of standard silver and black fox pelts to the United States and only pelts of the better grades were allowed to be exported to that country. This was most important because the United States was practically the only market left open.

The sale of pelts to the United States market brought back considerable foreign exchange needed under war conditions. At the same time it proved an incentive to the producer who wished to ship pelts to that market to do considerable culling of his breeding animals, since the industry previously was getting somewhat out of hand as to quality. In time it was noticeable in some of the provinces that the quality restrictions had a good effect, as an effort was being put forward to improve the quality of production.

In the fall of 1940 quota arrangements were amended, whereby Canada's portion of the 100,000 pelts allowed in the United States annually was increased to 70,000 pelts and not on a unit basis, and a separate quota was established for pieces and tails.

It is difficult to forecast the possible future trend of the fur industry. However, the recent breeding developments on fur farms and the active interest being shown in this phase of the industry indicate that there will be a further expansion of production on fur farms in the years immediately following the war.

MR. BIRKETT TO VISIT FIJI

Mr. C. B. Birkett, Acting Canadian Trade Commissioner at Auckland, New Zealand, will pay a visit to the Fiji Islands in April or May, 1945, for the purpose of studying developments and changes during the war years that may be of interest from the viewpoint of Canadian trade with the Colony.

Canadian exporters wishing to have any inquiries made in the Fiji Islands on their behalf are advised to communicate with Mr. Birkett on the subject as early as possible and, owing to the possibility of delays in mail to New Zealand, not later than the end of February, 1945. Mr. Birkett's address for letters is P.O. Box 33, Auckland, New Zealand.

TRADE OF URUGUAY IN 1943

II

By J. C. DEPOCAS, *Assistant Commercial Attaché at Buenos Aires*

Import Trade by Countries

For three years in succession the total value of Uruguay's imports was maintained at approximately \$63,000,000. Uruguay had funds with which to buy the commodities she urgently needed but was unable to arrange delivery, either because of shortages in supplying countries or on account of the difficult shipping situation. Another feature of the import trade of Uruguay is its diversion from European countries, after the outbreak of war, to the Americas and, in the past two years, to Latin America, owing to the share of the trade going to Argentina and Brazil. The values and percentage shares of imports into Uruguay by continents since 1938 are shown in the accompanying tables.

If from the Americas' share, deduction is made of the United States' and Canada's contribution, there are for Latin America the following percentages since 1939: 19, 23, 32, 44, and 55, a rise indicative of the growing importance of Argentina and Brazil as supplying nations for semi- and totally manufactured goods which formerly came from Europe.

Latin American countries have always sold to Uruguay liquid fuel and

sugar and other foods and no doubt should retain the trade, but, as the trade balance with these countries is adverse to Uruguay and the balance with the United Kingdom and Continental Europe was favourable, it may be that exchange regulations will force the re-diversion of the trade towards Europe as formerly, especially if consumers consider that European products are superior, price for price, to those with which they had to be satisfied with during war time.

Among supplying nations, the United States, as during 1941 and 1942, occupied first place but with a similar total value and share, i.e. \$16,000,000 and 25 per cent as against \$19,400,000 and 31 per cent in 1941, and \$20,100,000 and 31 per cent in 1942. Brazil was again second with \$11,200,000 and 17.5 per cent as compared with \$10,000,000 and 15.7 per cent; third place was occupied this year by Argentina, which displaced the United Kingdom through an increase in the value of commodities supplied of \$2,500,000 to reach \$10,500,000 and a decrease in the value of imports from the United Kingdom of \$2,200,000 to a total of \$6,500,000.

Imports from the United States comprise hundreds of items of which only

Uruguayan Imports by Continents

	1938		1939		1940	
	\$1,000	Per Cent	\$1,000	Per Cent	\$1,000	Per Cent
Europe	40,847	66	33,730	66	24,777	45
America	14,775	24	13,310	26	23,231	42
Asia	5,410	9	4,317	8	6,866	13
Africa	493	1	33	..	59	..
Oceania	42	..	6	..	..	..
Total	61,567	100	51,457	100	54,933	100
	1941		1942		1943	
	\$1,000	Per Cent	\$1,000	Per Cent	\$1,000	Per Cent
Europe	15,765	25	11,452	18	7,431	12
America	40,190	64	49,048	77	52,275	82
Asia	7,108	11	2,866	5	2,039	3
Africa	36	..	176	..	2,013	3
Oceania	37	..	119	..	49	..
Total	63,136	100	63,661	100	63,807	100

a few represent substantial amounts, such as tinplate, \$2,181,810 (\$2,062,-801 in 1942); coal, \$1,512,756 (\$1,-000,367); steel bars, \$968,654 (\$480,-636); machine parts, \$685,761 (\$405,-670); lubricants and greases, \$518,472 (\$603,715); artificial silk fabric, \$329,-336 (\$602,288); cotton thread, \$395,-258 (\$1,451,411); tin, \$435,106 (\$18,-875); automobile parts, \$305,291 (\$480,098). From Brazil the most important import items are: mate, \$1,-452,598 (\$1,514,374); refined sugar, \$1,323,904 (\$974,232); lumber, \$2,-101,580 (\$1,244,288); cotton thread, \$1,142,690 (\$976,387); tobacco, \$347,-368 (\$322,397); raw coffee, \$588,628 (\$430,457); cotton fabric, \$2,227,041 (\$2,293,918). From Argentina: corn, \$1,389,184 (\$176,900); fuels, other than liquid and mineral, n.o.p., \$1,-738,686 (\$592,268); fodder and seeds, \$931,352 (\$521,344); oats, \$392,996 (\$131,561); maize for distillation, \$369,096 (\$117,649).

Imports from the United Kingdom were: coal and coke, \$1,638,853 (\$1,-251,457); rayon thread, \$316,987 (\$251,606); cotton fabric, \$334,958 (\$1,000,857); woollen fabric, \$437,910 (\$491,481); other fabrics, \$383,604 (\$584,324); whisky, \$223,857 (\$209,-846).

Next in importance as supplying nations in 1943 were Peru, Venezuela, Ecuador, and British India, a feature of whose trade with Uruguay, common to all four, is that they sell one or two articles and buy only a few.

Exports to Peru were valued at \$144,452 (\$34,543 in 1942); to Venezuela, \$358,853 (\$291,871); to Ecuador, \$154,946 (\$45,026); and to British India, nil (\$10,802).

Imports from these countries in 1943 were as follows: Peru, \$3,427,015 (principally \$3,253,360 for raw refined sugar); Venezuela, \$2,836,038 (\$2,-804,772 for fuel oil); Ecuador, \$2,636,-193 (\$2,592,654 for fuel oil); British India, \$1,922,000 (principally jute).

From the other supplying countries, such as Canada, Chile, Paraguay, and Switzerland, Uruguay imports many items but in smaller quantities, except in a few cases such as newsprint from Canada.

Import Trade by Commodities

The following tables show the volume of the imports of a number of commodities during the two immediate pre-war years, 1938 and 1939, and the two latest war years for which statistics are available, 1942 and 1943. These items, the value of which for 1943 representing 66 per cent of the total for all imports, are not listed in order of importance on the basis of value or volume, but are grouped together in accordance with their market prospects during the years immediately following the cessation of hostilities.

Imports of the following commodities will probably be maintained at about the level of the 1942-43 average:

	1943	1942	1939	1938
		Figures in Short Tons		
Sugar, raw	20,568	38,059	839	893
Sugar, refined	50,516	28,538	52,882	56,720
Yerba mate	20,535	22,242	24,802	27,207
Table potatoes	7,172	22,666	18,312	19,628
Seed potatoes	10,281	13,086	.....	.....
Coffee in grain	3,352	3,213	2,531	3,048
Lumber	59,622	60,698	51,213	47,543
Acetic acid	36	115	89	57
Sulphur	7,033	3,425	4,865	2,446
Sulphuric acid	73	.....	150	13
Quebracho extract	3,664	2,662	2,812	2,334
Iron oxide	137	465	26	138
Potash, caustic	43	50	31	22
Soda, caustic	2,174	4,000	2,475	2,538
Soda ash	8,402	5,254	6,361	4,754
Cotton fabric	1,766	2,743	1,953	2,465
Turpentine	323	258	.....	.....
Glucose	386	295	160	248
Resin	2,437	1,133	2,203	2,091

Imports Likely to be Maintained—Con.

	1943	1942	1939	1938
	Figures in Short Tons			
Copper ingots	283	617	19	88
Steel hoops	1,455	963	1,212	1,209
Oats	17,625	6,705	514	2,514
Corn	64,979	14,431	6	369
Fodder	20,724	10,138	.....	.....
Electric lamps*	311,703	1,234,799	708,183	970,897
Electric meters*	140	27,554	4,107	20,796

* Figures in units.

The importation of table potatoes and of oats, corn and fodder should drop, favourable conditions permitting, to a relatively low figure. Imports of grain and fodder during 1942 and 1943 were necessary because of a poor grain crop following the 1942-43 drought and, on account of a poor crop, due to late blight, potatoes were brought in. For the immediate future it is expected that imports will have to be maintained.

Imports of the following are expected to increase over the 1942-43 average:—

all spheres of activity, there is no doubt that imports will be increased to at least the former levels. The two foregoing groups include many consumers' goods whose usefulness is not extended from year to year. Any reductions in their consumption represents a saving.

The following third group, on the other hand, includes commodities that are unavailable during the war, but for which the demand is permanent and cumulative. In the case of these items it might be necessary to meet in a given period the requirements of two

	1943	1942	1939	1938
	Figures in Short Tons			
Olive oil	2	15	2,995	2,635
Grease and lubricants.....	3,944	5,727	5,944	8,087
Coal	314,167	165,137	369,950	367,239
Fuel oil	250,936	339,479	273,419	220,017
Crude petroleum .....	.....	.....	239,194	152,014
Aniline	125	112	176	182
Carbide	243	925	569	405
Ferro-alloys	200	240	40	63
Newsprint	10,107	8,378	13,825	13,061
Refractory materials	2,337	1,631	1,961	3,884
Wood-pulp	3,211	4,390	3,323	2,700
Asbestos	699	440	11	225
Vegetal coal	567	596	2,446	3,119

The importation of olive oil will be resumed, of course, only when the Italian industry is again in a position to meet a world demand. Supplies of ferro-alloys, refractory materials, and asbestos required by industries recently established or established because of the war were subjected to control measures in the supplying countries, otherwise Uruguay would have bought more.

The shortage of fuel and lubricants was acute and, since they are essential to the agricultural industry and the availability of supplies is a necessary condition for the return to normalcy in

or three times the usual number of buyers (makers of automobiles, typewriters, etc.) or to replenish and maintain wholesalers' stocks (hardware, building materials, etc.) if the building industry is called upon to make up for the recent year's slump in building construction.

Tinplate is the only item in which there might be a decrease. Increased supplies of canned meat for the belligerent United Nations resulted in large imports in 1942 and 1943. They were respectively 14,945 short tons and 15,460 tons as against 6,191 tons and 11,788 tons in 1938 and 1939.

	1943	1942	1939	1938
Automobiles .....No.	47	686	1,311	2,012
Chassis for trucks .....No.	1	261	514	1,263
Rubber tires .....No.	112	3,384	150*	.....
Batteries .....No.	5,463	4,562	344*	434*
Ploughs .....No.	1,472	1,597	4,651	8,661
Typewriters and calculating machines No.	212	1,719	33*	42*
Sewing machines .....No.	467	1,138	2,917	4,189

Figures in Short Tons

	1943	1942	1939	1938
Colours for paint.....	276	619	1,058	909
Electric cable.....	128	152	1,480	2,031
Nails, screws, bolts and nuts.....	152	503	803	899
Nail wire.....	2,160	689	2,658	2,606
Steel wire.....	2,268	891	6,864	6,134
Steel bars.....	11,867	6,206	33,790	33,273
Steel sheets.....	3,942	3,422	8,502	12,472
Cast iron pipes.....	524	136	1,379	7,406
Galvanized steel pipes.....	293	260	733	1,496
Aluminium ingots.....	7	....	129	205
Zinc ingots.....	86	221	409	448
Raw cotton.....	1,755	726	228	293
Cotton thread.....	1,659	2,891	3,616	3,594
Woollen cloth.....	82	84	162	177
Rayon and cotton fabric.....	112	244	581	833

* Short tons.

Trade with Canada

The Uruguayan statistics show a very small volume of exports to Canada in 1943: 3,300 pounds of wool thread (\$3,029); 5,546 pounds of woollen cloth (\$6,672); and 46 short tons of stearine (\$5,530). The total value was \$15,231.

(Canadian trade statistics show imports from Uruguay in 1943 with a total value of \$550,806, the chief items being: cattle hides, raw, \$375,753; sheepskins, raw, \$18,205; wool in the grease, \$44,977; wool, washed or scoured, \$12,339; woven fabrics, \$8,645; stearic acid, \$19,570; grease, rough, for soap and oils, \$6,139; yarns, wool, \$4,385; tweeds, \$2,384.)

The value of exports to Canada in 1942 was \$243,927, the higher figure being accounted for by purchases in that year of canned meats to a value of \$227,899.

There was no marked difference between the value of imports from Canada in 1942 and 1943—\$1,313,022 as against \$1,364,564. As shown below, Canada shares, and sometimes leads, in the supply of several items. It is noteworthy that Argentina is a competitor of the Dominion in the market for many commodities purchased by Uruguay.

Following are details of imports of commodities of interest to Canada; unless otherwise noted, quantities are in short tons:—

Seed Potatoes.—Total, 10,280 (13,086): Argentina, 7,065 (9,400); Canada, 3,215 (3,686).

Newsprint.—Total, 10,107 (8,378): Canada, 9,284 (7,813); United States, 823 (449); Sweden, nil (116).

Asbestos Fibre.—Total, 700 (440): Canada, 500 (110); Rhodesia, 179 (323); United Kingdom, 11 (6); United States, 9 (1); Argentina 1 (nil).

Calcium Carbide.—Total, 243 (925); Canada, 152 (186); United States, 91 (719); Brazil, nil (20).

Printing Paper.—Total, 1,422 (3,550): United States, 1,070 (1,085); Canada, 284 (1,449); United Kingdom, 40 (60); Newfoundland, 28 (nil); Sweden, nil (956).

Nickel.—Total, 3,307 (6,774) pounds, all from Canada.

Glass.—Total, 1,841 (1,808): United States, 1,045 (915); United Kingdom, 494 (403); Mexico, 162 (265); Canada, 140 (220); Argentina, nil (5).

Codfish.—Total, 353 cwt. (1,339): Laurencio Marques, nil (66); United States, nil (348); Canada, 189 (714); Newfoundland, nil (211); Argentina, 164 (nil).

Whisky.—Total, 38,174 (41,996) gallons: United Kingdom, 35,959 (34,332); Canada, 1,539 (4,060); United States, 666 (3,599); Argentina, nil (5).

Apples.—Total, 613 (1,165): Argentina, 534 (554); United States, nil (101); Canada, 79 (510).

Emery Paper.—Total, 74,050 pounds (208,531): United States, 32,665 (64,497); Argentina, 19,638 (90,811); Canada, 14,873 (1,608); United Kingdom, 5,819 (27,507); Brazil, nil (21,791); Switzerland, nil (2,317).

Wallpaper.—Total, 84,571 pounds (161,114): Argentina, 39,966 (6,263); Canada, 25,724 (59,241); United States, 15,739 (52,965); United Kingdom, 3,142 (42,645).

Acetic Acid.—Total, 72,304 pounds (230,073): United States, 43,189 (135,729); Argentina, 22,050 (37,059); Canada, 6,668 (55,290); United Kingdom, 397 (1,995).

Lamps and Lanterns.—Total, 4,103 units (40,307): United States, 4,002 (39,625); Canada, 96 (nil); Argentina, 5 (162); Sweden, nil (520).

Paints and Varnishes.—Total, 229 (246): United Kingdom, 156 (95); United States, 69 (148), Argentina, 2 (3); Canada, 0.5 (nil).

Reapers.—Total, 21 units (90): United States, 13 (74); Canada, 6 (15); Argentina, 2 (1).

Ploughs.—Total, 1,472 units (1,597): United States, 1,021 (562); Canada, 417 (666); Argentina, 33 (369).

Other Agricultural Machinery.—Total, 854 units (526): United States, 589 (427); Canada, 252 (12); United Kingdom, 10 (nil); Argentina, 3 (86); Brazil, nil (1).

Windmills.—Total, 76 units (143): United States, 62 (99); United Kingdom, 11 (44); Canada, 2 (nil).

Machinery Parts.—Total, 1,375 (1,144): United States, 1,057 (600); United Kingdom, 148 (392); Argentina, 125 (72); Canada, 28 (43).

Sewing-machines.—Total, 467 units (1,136): Canada, 400 (nil); United States, 52 (1,002); Sweden, 15 (65); Argentina, nil (51); United Kingdom, nil (20).

Auto Parts.—Total, 365 (714): United States, 340 (626); United Kingdom, 20 (60); Canada, 3 (16); Brazil, 2 (nil).

Bronze.—Total, 34,519 pounds (47,349): Chile, 26,418 (35,924); United Kingdom, nil (4,363); United States, 6,558 (4,932); Canada, 1,543 (nil); Argentina, nil (1).

Cardboard.—Total, 418 (719): Argentina, 239 (2); United States, 170 (70); Canada, 6 (nil); United Kingdom, 3 (5); Sweden, nil (642).

Electric Meters.—Total, 140 (27,554): United States, 140 (1,380); Canada, nil (2,303); Switzerland, nil (1,164); Sweden, nil (22,707).

Heaters (not Electric).—Total, 71 (4,925): United States, 27 (657); Canada, nil (36); Sweden, 5 (3,669); United Kingdom, nil (540); Argentina, 39 (23).

Iron Oxide.—Total, 137 (465): South Africa, nil (50); Canada, nil (5); Spain, 22 (nil); United Kingdom, 58 (97); United States, 2 (3); Brazil, nil (11); Argentina, 55 (299).

Wood-pulp.—Total, 3,211 (4,391): Sweden, nil (3,311); Canada, nil (138); Argentina, 242 (556); United States, 2,969 (386).

Ferro-alloys.—Total, 200 (241): United States, 156 (135); Canada, nil (106); Brazil, 44 (nil).

Rubber Galoshes.—Total, 868 prs. (10,734): United States, nil (1,341); Canada, nil (3,636); United Kingdom, nil (100); Brazil, 868 (5,657).

WORLD WHEAT SITUATION

From the monthly review in *Dominion Bureau of Statistics Bulletin*

While stocks of wheat in all four of the major exporting countries remain substantial, the supply picture in Australia and Argentina differs from that in North America in one important respect. In Canada and the United States the new crop, which has just been harvested, has proved large enough to offset a smaller carryover at the end of the crop year. In the two large wheat-producing countries of the Southern Hemisphere the outlook for the new crop, which has yet to be harvested, is such as to indicate a decline in total available supply.

Argentina experienced a severe drought during the planting period, which reduced acreage, and the continued lack of rainfall in the northern

provinces has greatly lowered yield prospects. While no very accurate estimate of production can be made until late in November, it is possible to say that there is no chance of a crop of record proportions, and the output may well be no more than enough to cover domestic requirements, which are about 110 million bushels. Even so, the present carryover of about 177 million bushels is amply sufficient to cover probable exports during 1945 and provide for a carryover against the possibility of a second small crop. Argentina's exports have averaged about 80 million bushels during the past three years. The current problem of this South American republic is to find bottoms to move her grain. United

States ships have not been calling at Argentine ports since October 1.

Australia's wheat supplies and prospects are much lower than those of any of the four big wheat-exporting countries. On October 6, even after rains had fallen, the new crop was estimated at only 50 million bushels. Australia has not had such a small crop since 1919, and the present production does not appear to be much more than sufficient to meet requirements for wheat for feed, which are estimated at 40 million bushels for 1944-45. Although exports are reported as being "well maintained", stocks of some 113 million bushels will not permit of heavy exports, cover domestic requirements of 70 to 75 million bushels, and provide a carryover. Stocks have recently been disappearing at the rate of about 20 million bushels a month. Domestic consumption is heavy because of the large military establishment in Australia.

The supply position in the big exporting countries may affect export shipments during the present crop year. With the prospect of short supplies in Australia, Canada may be called upon to make shipments to India and the Middle East and to other countries accustomed to import from Australia. Although it is known that wheat requirements in liberated Europe will be substantial, no definite information is available as to the extent of these requirements. Italy is reported to have harvested a wheat crop of some 245 million bushels, about 120 million being in the liberated area. Although this volume of wheat is insufficient to meet the needs of the population, the quantity which will have to be im-

ported will depend largely upon the condition of the northern areas when these are liberated. Unofficial sources place import requirements in the neighbourhood of 10 million bushels.

Foodstuffs are very scarce in the Netherlands as a result of the confiscation of non-perishable foods by the Germans. In the pre-war period Holland depended upon the importation of about 25 million bushels of wheat a year, and her plight is, therefore, doubly serious. Conditions in Belgium are apparently somewhat better owing to a more rapid rate of evacuation by the Germans, but flour will soon be shipped in from North America. France's food position is much more satisfactory, and Canadian wheat is reported to be moving in via Lisbon. Greece will continue to need wheat from outside, and it seems likely that shipments will be made to Southern Europe as the Nazis are driven out.

Great Britain reports a wheat crop of 118 million bushels, or slightly less than in 1943. The 1939 crop was 61.8 million bushels. However, much of the grain from the new crop is damp and must be dried by artificial methods. The admixture of imported flour has been raised to 7½ per cent, and it is likely that, as wheat supplies become more readily available in the United Kingdom, the minimum extraction rate will be lowered in order to secure a more palatable loaf. This factor will increase consumption of wheat in the United Kingdom. There is, as yet, no indication of whether or not acreage will be reduced in 1945. There is strong sentiment in some quarters in favour of keeping Britain's wheat acreage up in the post-war era as a measure of military preparedness.

DEBTS OWING TO CANADIAN EXPORTERS

The Department of Trade and Commerce desires to obtain full information in regard to debts, owing to Canadian exporters, arising out of exports of merchandise shipped to importers in Spain or in Spanish possessions prior to July 18, 1936.

Communications from Canadian firms, who have not already furnished such information to the Department, should be addressed to: The Deputy Minister, Department of Trade and Commerce, Ottawa.

CANADA'S EXTERNAL TRADE IN SEPTEMBER

Canada's external trade in September, excluding gold, was valued at \$427,051,000 as compared with \$416,510,000 in August and \$384,640,000 in September, 1943. During the first nine months of the current year the aggregate value was \$3,907,041,000 as against \$3,414,075,000 for the similar period of 1943, an advance of 14.4 per cent.

Exports of domestic merchandise in September were appraised at \$264,619,000 as compared with \$257,021,000 in August and \$244,914,000 in September of last year, the aggregate for the nine months ended September amounting to \$2,546,621,000 as against \$2,119,184,000 for the corresponding period of 1943, an advance of 20.2 per cent.

The value of Canada's merchandise imports in September was \$159,710,000 as compared with \$137,271,000 in the corresponding month of last year. During the first nine months of the current year the value was \$1,330,015,000 as against \$1,276,973,000 for the similar period of 1943, an increase of 4.2 per cent.

The United States was the leading source of supply, the September valuation of merchandise imports from that country amounting to \$135,588,000 as compared with \$113,476,000 in September, 1943, and for the nine months ended September the value was \$1,106,805,000 as against \$1,046,762,000 for the same period of 1943.

Commodity imports from the United Kingdom in September were valued at \$7,092,000 as compared with \$9,871,000 in September of last year, the total for the nine months ended September standing at \$71,981,000 as against

\$100,301,000 for the corresponding period of 1943.

British India was in third position as a source of supply of Canada's imports in September, the total being \$2,272,000 as compared with \$2,056,000 for September, 1943. Venezuela followed with \$1,523,000 (\$395,000); Newfoundland, \$1,033,000 (\$970,000); Mexico, \$999,000 (\$1,104,000); Argentina, \$941,000 (\$288,000); and Colombia, \$916,000 (\$614,000).

The following were among the leading commodities imported in September, totals for September 1943 being shown within parentheses: fruits, \$5,212,000 (\$3,372,000); cotton, \$6,103,000 (\$5,212,000); wool, \$1,968,000 (\$3,379,000); rolling-mill products, \$4,845,000 (\$6,221,000); engines and boilers, \$5,386,000 (\$3,735,000); farm implements, \$3,593,000 (\$1,968,000); machinery, other than agricultural, \$5,818,000 (\$7,517,000); vehicles, \$6,974,000 (\$6,799,000); coal, \$11,541,000 (\$10,950,000); petroleum products, \$9,152,000 (\$8,305,000); chemicals, \$5,979,000 (\$5,234,000).

Statistical Summary

A tabular statement showing Canada's exports in September by principal countries and commodities was published in *Commercial Intelligence Journal* No. 2126 (October 28, 1944), page 401. The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic imports (excluding gold) by principal countries and commodities for the month of September and nine months ended September, 1944 and 1943:—

Imports by Principal Countries

	Month of September		Nine Months ended September	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	159,710	137,271	1,330,014	1,276,973
Empire countries	16,389	18,065	152,687	175,079
British East Africa	86	.....	771	963
British South Africa	493	214	3,656	2,125
Southern Rhodesia	49	116	217	989
British West Africa	90	1	2,762	2,256
Bermuda	8	16	478	18

Imports by Principal Countries—Con.

	Month of September		Nine Months ended September	
	1944	1943	1944	1943
	Thousands of		Dollars	
Empire countries— <i>Con.</i>				
British India	2,272	2,056	21,270	12,085
Ceylon	439	216	3,312	5,319
British Guiana	653	895	6,092	5,649
Barbados	722	444	5,687	3,219
Jamaica	871	932	9,710	7,031
Trinidad and Tobago	369	266	862	523
Other British West Indies	49	51	873	528
Newfoundland	1,033	970	7,131	5,381
Australia	876	1,318	7,992	6,477
Fiji	889	.....	2,575	2,295
New Zealand	275	575	6,026	18,434
United Kingdom	7,092	9,871	71,981	100,301
Foreign countries	143,321	119,206	1,177,327	1,101,894
United States	135,588	113,476	1,106,805	1,046,762
Argentina	941	288	7,776	8,184
Bolivia .....	.....	.....	9	.....
Brazil	473	602	5,990	2,950
Chile	45	120	448	520
China .....	.....	2	1	21
Colombia	916	614	9,658	1,759
Costa Rica	370	47	1,263	1,458
Cuba	227	617	3,540	7,067
Ecuador	96	9	371	229
Egypt	3	.....	142	57
Guatemala	2	56	2,639	879
Haiti	13	109	2,036	560
Honduras	135	7	754	118
Mexico	999	1,104	10,163	9,639
Netherlands West Indies .....	.....	12	508	976
Nicaragua .....	.....	.....	1	218
Panama .....	.....	.....	4	78
Paraguay	43	21	193	515
Peru	1	2	78	692
Portugal	77	23	995	307
Salvador	165	23	2,395	1,078
San Domingo	859	.....	3,863	56
Spain	117	177	1,957	669
Sweden .....	.....	.....	24	2
Switzerland	204	542	3,677	3,005
Puerto Rico	4	.....	51	1
Uruguay .....	.....	2	205	491
Venezuela	1,523	395	9,368	4,381

Imports by Principal Commodities

Total imports	159,710	137,271	1,330,014	1,276,973
Agricultural products	15,031	10,703	162,536	127,584
Fruits	5,212	3,372	46,609	33,337
Nuts	589	91	9,316	1,576
Vegetables	110	99	12,845	12,078
Grains and products	434	634	9,399	6,795
Oils, vegetable	1,027	427	8,429	10,093
Cocoa and chocolate	114	69	3,133	2,013
Coffee and chicory	869	733	11,912	5,746
Spices	38	86	676	903
Tea	907	719	9,878	8,793
Alcoholic beverages	350	260	3,624	2,894
Gums and resins	186	252	2,636	2,288
Seeds	72	49	1,211	1,454
Tobacco	164	108	1,188	784
Animal products	2,561	2,297	25,668	28,052
Fishery products	144	224	2,317	1,908
Furs (chiefly raw)	784	620	7,023	5,959
Hides, raw	374	256	3,410	5,240
Leather, unmanufactured	216	192	2,050	2,507
Leather, manufactured	216	201	1,954	2,503
Meats	26	76	1,318	1,997

Imports by Principal Commodities—Con.

	Month of September 1944	1943 Thousands of Dollars	Nine Months ended September 1944	1943
Fibres and textiles	12,609	13,251	136,808	144,057
Cotton	6,103	5,212	67,235	63,172
Raw, and linters	2,230	1,443	28,788	22,200
Yarn	1,022	474	5,890	7,341
Fabrics	2,423	3,028	28,382	30,099
Flax, hemp and jute	1,124	1,929	13,793	11,808
Fabrics, flax and hemp	76	110	956	1,682
Fabrics, of jute	714	1,472	9,095	6,440
Silk	126	72	1,164	1,025
Fabrics	120	68	1,124	979
Wool	1,963	3,379	25,203	42,126
Raw wool	558	1,137	8,277	19,809
Noils and tops	227	225	3,976	5,750
Yarn	13	575	2,291	3,214
Worsted and serges	737	771	5,148	6,952
Wood and paper	3,787	3,206	31,701	30,042
Wood, unmanufactured	586	467	4,693	4,375
Planks and boards	349	257	2,271	2,273
Wood, manufactured	605	515	5,041	4,558
Paper	1,014	766	8,791	7,814
Books and printed matter	1,583	1,458	13,175	13,295
Iron and products	35,917	34,863	330,706	308,618
Pigs, ingots, blooms and billets	239	411	1,605	10,404
Castings and forgings	695	679	5,291	6,514
Rolling-mill products	4,845	6,221	37,252	52,293
Pipes and tubes	460	760	4,119	6,099
Engines and boilers	5,386	3,735	50,817	29,627
Farm implements	3,593	1,968	31,628	14,322
Hardware and cutlery	338	332	3,124	3,020
Machinery (except agricultural)	5,818	7,517	62,620	83,855
Stamped and coated products	146	98	1,208	1,195
Tools	605	924	6,717	8,327
Vehicles	6,974	6,799	73,310	49,123
Non-ferrous metals	10,321	13,304	83,781	84,641
Precious metals	90	131	895	1,155
Clocks and watches	287	507	3,850	3,152
Electrical apparatus	6,390	7,196	46,608	35,185
Non-metallic minerals	26,112	24,215	200,634	183,080
Clay products	728	985	8,444	10,166
Coal	11,541	10,950	84,693	72,062
Coke	961	883	7,510	8,029
Glass and glassware	1,158	854	9,668	8,056
Petroleum products	9,152	8,305	72,890	66,955
Stone and products	1,039	1,216	7,979	8,171
Chemicals	5,979	5,234	61,221	52,189
Acids	216	304	2,318	3,318
Cellulose products	394	422	3,616	3,608
Drugs and medicines	553	570	5,506	5,510
Dyeing and tanning materials	491	478	5,216	5,641
Fertilizers	290	439	3,271	2,717
Paints and varnishes	564	410	5,520	4,527
Inorganic chemicals	874	943	9,188	9,352
Soda and compounds	248	319	3,415	3,374
* Miscellaneous commodities	47,393	30,197	296,959	318,710
Amusement and sporting goods	229	67	1,467	735
Personal and household equipment	547	287	3,749	2,987
Refrigerators and parts	11	14	88	112
Musical instruments	59	38	376	380
Scientific equipment	634	884	6,318	7,051
Vehicles, n.o.p. (except iron)	5,759	5,882	50,673	40,226

* Includes certain military stores.

CORRESPONDENCE WITH FRANCE AND ITALY

According to a notice issued on November 3, 1944, by the Secretary of State of Canada under and by virtue of the provisions of the Revised Regulations Respecting Trading with the Enemy (1943), persons residing in Canada may communicate, as from November 4, with and receive communications from persons residing in liberated areas of France with respect to business, financial and commercial matters but no actual trading shall take place; the purpose of this permission being merely to re-establish business contacts and exchange information.

Banks and other financial institutions may reply to requests for information from their depositors, and documents such as birth, death and marriage certificates, wills and other legal notices may be transmitted; but no action shall be taken to transmit any powers of attorney, proxies, pay-

ment orders or other legal documents without special permission from the Custodian. Communications shall include private and business closed unregistered and uninsured surface mail in letters not exceeding one ounce in weight, as well as tele-communications and limited to terminal messages between France and Canada.

This notice, it is stated, shall in no way effect a release of any property in Canada belonging to persons residing in such liberated areas, such property having vested in the Secretary of State acting in his capacity as Custodian and such property shall continue to be so vested until expressly released under the Revised Regulations Respecting Trading with the Enemy (1943).

A similar notice respecting correspondence with liberated areas of Italy was issued by the Secretary of State on October 25, 1944.

TRADE REGULATIONS AND TARIFF CHANGES

Australia

CANNED FISH IMPORTS PERMITTED

Mr. K. F. Noble, Acting Trade Commissioner in Sydney, Australia, cables that, effective October 31, 1944, the import into Australia of canned salmon, sardines and other canned fish, except crustaceans and oysters, will be permitted up to an amount equal to 25 per cent of imports during the base year July 1, 1938, to June 30, 1939. Under regulations which have been in effect in Australia for the last three years, no licences have been made available for the import of canned fish from non-sterling countries such as Canada.

Trinidad

UNLICENSED IMPORTS LIABLE TO CONFISCATION

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that imports from Canada arriving in Trinidad which are not covered by valid import licences are liable to confiscation. According to a notice of October 6, issued by the Trinidad Control Board, import licences for all goods expire on December 31 of the quota or program year against which the licence is issued and such licences are not valid after that date. No licence issued prior to November 1, 1943, is valid as all such outstanding licences were cancelled at October 31, 1943. Only those licences, the notice states, endorsed "1945 Programme" will be valid after December 31, 1944.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Uruguay

EXCHANGE RATES FOR EXPORTS

Mr. J. A. Strong, Commercial Attaché at Buenos Aires, writes under date October 25 that the Minister of Finance of the Republic of Uruguay, by a decree of October 13, confirmed the following buying, controlled rates of exchange, which have been in force for some years:—

For staple exports: 6·12 pesos to the pound sterling and 151·90 pesos to U.S.\$100.

For non-staple exports: 7·45 pesos to the pound sterling and 180 pesos to U.S.\$100.

By comparison, the latest quotation for free exchange at time of writing was 185 pesos to U.S.\$100.

Export items have been regrouped according to the percentage of the export value convertible at the controlled rates and the percentage convertible at the free rate. Countries of destination are grouped into sterling area and other countries, the latter being given the sub-groupings of (a) neighbouring countries (Argentina, Bolivia, Brazil and Paraguay) and (b) remaining countries. In some cases commodities for export to neighbouring countries are subject to special treatment.

Following are some examples of the rates:—

Sheepskins, coarse, clipped, one-fourth wool upwards: sterling area, 100 per cent at 6·12 pesos; neighbouring countries, 70 per cent at 151·90 pesos and 30 per cent at the free rate; remaining other countries, 100 per cent at 151·90 pesos.

Other sheepskins, dry and wild animal hides: sterling area, 100 per cent at 6·12 pesos; other countries 100 per cent at 151·90 pesos.

Wool, greasy: sterling area, 100 per cent at 6·12 pesos; neighbouring

countries, 85 per cent at 151·90 pesos and 15 per cent at the free rate; remaining other countries, 100 per cent at 151·90 pesos.

Wool, washed: sterling area, 94 per cent at 6·12 and 6 per cent at 7·45 pesos; neighbouring countries, 85 per cent at 151·90 and 15 per cent at the free rate; remaining other countries, 94 per cent at 151·90 and 6 per cent at the free rate.

Wool in tops: sterling area, 60 per cent at 6·12 and 40 per cent at 7·45 pesos; other countries, 60 per cent at 151·90 and 40 per cent at the free rate.

Oleic and stearic (mixed) acid, socks, sweaters, and underwear of wool or mixture are subject 50 per cent to the 6·12 rate and 50 per cent to the 7·45 rate when for the sterling area, and 50 per cent to the 151·90 rate and 50 per cent to the free when for other countries. Wool blankets, wool thread, knitting wool and wool thread residues are subject 40 per cent to the former and 60 per cent to the latter of these rates for the sterling area and other countries respectively, while wool or wool and mixture cloth are subject 25 and 75 per cent to the same rates for the respective destinations.

Cuba, Haiti, Dominican Republic, Puerto Rico and United States Virgin Islands

By J. L. MUTTER, *Canadian Trade Commissioner at Havana*

There are no official exchange restrictions in force at present in any of the above-mentioned countries that are likely to affect the collection of drafts drawn on importers therein by Canadian suppliers.

Business houses in these territories are able to secure without undue difficulty any foreign exchange which they may require to pay for their Canadian purchases.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

Subscription prices for either edition are: \$1 per annum in Canada, single copies 5 cents each; \$3.50 per annum outside Canada, single copies 10 cents each.

Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 6, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 6, 1944, and for the week ending Monday, October 30, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 30	Nominal Quotations in Montreal Week ending Nov. 6	Official Bank Rate
Great Britain.. . . . Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States.. . . . Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies..Dollar	1.0138	.9313	.9313	—
Argentina.. . . . Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2759	.2766	—
Brazil.. . . . Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia.. . . . Peso	.9733	.6358	.6358	4
Venezuela.. . . . Bolivar	.1930	.3330	.3330	—
Uruguay.. . . . Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6022	.6016	—
South Africa.. . . . Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt .. . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand.. . . . Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; Institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum).

COMMERCIAL INTELLIGENCE SERVICE

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J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

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British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

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Ireland

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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UNITED KINGDOM EXPORT TRADE DURING THE WAR

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

For security reasons the United Kingdom Government suspended publication of detailed figures of external trade at the end of 1940. This decision was recently reviewed, and the Board of Trade has published a statistical return giving fairly complete details of the exports of the United Kingdom during the years 1942 and 1943, with comparative figures for the pre-war year 1938.

From the figures which are now available it is possible to measure the noteworthy decline that has taken place in Britain's export trade. The extent and nature of this decline in the economic position of the United Kingdom and its effect on the country's purchasing power has, in turn, a direct bearing upon the opportunities available in this market for Canadian

manufacturers and exporters after the war.

The figures show that the outbreak of war caused a considerable dislocation of the export trade. In the period September-December, 1939, the value of exports was £44,000,000 lower than might have been expected from the general level of trade. Of this total, £10,000,000 (or about £2,500,000 a month) was due to the loss of the German, Polish and Czechoslovak markets.

The export drive, with a view to increasing supplies of foreign exchange for the war effort, started in February, 1940. It was beginning to have a considerable effect in April and May, but the successive invasions of Denmark and Norway and of the Netherlands, Belgium and France—plus the later

entry of Italy into the war—resulted in the cutting-off of additional markets. Exports to these countries in 1938 were valued at £6,000,000 a month. In August, 1940, the severe air raids on this country began, and the bombing of the ports—especially the firing of the London docks in September—had a very adverse effect on the remaining export trade.

Effect of Lend-lease

Early in 1941, although exports steadily improved during the first four months, the position began to change radically. The substitution of lend-lease for cash and carry greatly reduced the need for foreign exchange, which had been partly met by the export drive and partly by the realization of foreign assets. At about the same time, shortages of raw materials and the increased diversion of manpower to the armed forces and the munition industries began to be reflected in the export figures. The needs of overseas markets had to be closely scrutinized, and only those which were proved to be essential could be satisfied. By 1941, export prices had risen by one-third in relation to those of 1938, and in the first half of 1941 the volume of exports had shrunk to about half the pre-war level notwithstanding considerable exports to the Dominions of aircraft, military vehicles and munitions. Shipments of these goods to Russia, as well as supplies of many other descriptions, caused a marked rise in exports during the second half of 1941.

Greater Decline in Volume than Value

The entry of Japan into the war in December, 1941, and the subsequent loss of the important Far Eastern markets, coupled with German domination of the Balkans, still further restricted the trading area. Since July, 1942, there has been relatively little variation in the value of exports, but this is due to the continued rise in prices. The steady reduction in the amount of labour and material that

could be devoted to exports led to an increasingly severe application of the rule that exports could only be permitted if they were essential to the economy of the country concerned. As a result the value of exports in 1943 was 51 per cent lower than in 1938. The actual volume of exports in 1943 was under 30 per cent of that in 1938.

On the other hand, the Government has estimated that, to earn the means of purchasing the imports needed to maintain the standard of life in this country, postwar exports will require to be increased by 50 per cent over the 1938 level. These figures afford an idea of the gap which has to be bridged before the United Kingdom can recover its position and contribute its full quota to world prosperity.

Comparison of Export Trade Figures

Table I summarizes the values of United Kingdom exports under the five main commodity divisions for the calendar years 1938, 1942, and 1943. In order to bring out the real nature of the fall, an estimate is included of the volumes of merchandise involved. The 1938 volume level is represented by the figure 100, and the figures for 1942 and 1943 are adjusted accordingly.

Export prices in 1943 were 71 per cent above 1938 prices. On this basis the table discloses that the volume of exports in 1942 was only 36 per cent of that for 1938, and in 1943—as already indicated—29 per cent of the figure for 1938, which was a poor trading year. Thus by 1943 nearly 75 per cent of Britain's pre-war export trade had been sacrificed to the needs of the war.

This has meant that the export trade has been temporarily forced to make a far smaller contribution to the national income than was necessary in peace time. In 1938, United Kingdom exports represented 10·2 per cent of the net national income, but this proportion was reduced to 2·8 per cent in 1943.

TABLE I

Value and Volume of Exports of Produce and Manufactures of the United Kingdom

	1938	1942	1943	Index Nos. of Volume, 1942 and 1943 (1938=100)	
Food, drink and tobacco—	£1,000	£1,000	£1,000		
Grain and flour	1,670	132	222	4	6
Feeding-stuffs for animals	699	16	19	1	1
Animals, living, for food	8	....	....	..	..
Meat	1,234	114	239	7	15
Dairy produce	1,112	100	342	6	20
Fresh fruit and vegetables	394	174	517	22	62
Beverages and cocoa preparations	13,825	11,466	11,032	59	54
Other foods	12,037	2,245	1,438	8	5
Tobacco	4,915	4,263	5,185	53	59
Total	35,894	18,510	18,994	34	33
Raw materials and articles mainly unmanufactured—					
Coal	37,406	6,041	5,928	11	10
Other non-metalliferous mining and quarry products, etc.	1,058	499	315	29	19
Iron ore and scrap	595	9	7	..	..
Non-ferrous metalliferous ores and scrap	2,298	28	29	..	..
Wood and timber	71	64	78	..	..
Raw cotton and cotton waste	459	6	1	..	..
Wool, raw and waste, and woollen rags	6,263	865	169	8	..
Silk, raw and waste, etc.; artificial silk waste	661	468	531	32	34
Other textile materials	269	5	4	1	..
Seeds and nuts for oil, oils, fats, resins and gums	2,894	194	127	3	2
Hides and skins, undressed	1,108	1,125	1,031	29	33
Paper-making materials	1,178	16	14	..	..
Rubber	227	61	32	11	8
Miscellaneous raw materials and articles mainly unmanufactured	2,433	807	737	16	14
Total	56,920	10,188	9,003	10	9
Articles wholly or mainly manufactured—					
Coke and manufactured fuel	3,292	788	1,026	15	17
Pottery, glass, abrasives, etc.	9,610	11,432	9,055	79	56
Iron and steel and manufactures thereof	41,556	9,827	6,027	17	10
Non-ferrous metals and manufactures thereof	12,339	6,899	6,550	40	38
Cutlery, hardware, implements and instruments	9,028	7,921	6,702	57	46
Electrical goods and apparatus	13,430	11,163	11,079	57	50
Machinery	57,868	29,942	27,973	35	29
Manufactures of wood and timber	1,165	381	235	13	7
Cotton yarns and manufactures	49,681	40,087	34,173	40	31
Woollen and worsted yarns and manufactures	26,814	25,051	18,475	62	39
Silk and artificial silk yarns and manufactures	5,502	16,421	12,674	166	110
Manufactures of other textile materials	10,657	8,854	6,297	39	23
Apparel	8,515	7,674	3,404	56	22
Footwear	1,963	1,387	673	44	22
Chemicals, drugs, dyes and colours	22,060	23,755	27,531	69	81
Oils, fats and resins, manufactured	5,365	725	695	8	6
Leather and manufactures thereof	3,943	2,969	1,671	44	23
Paper, cardboard, etc.	6,930	4,970	4,074	37	29
Vehicles (including locomotives, ships and aircraft)	44,627	7,510	8,430	10	9
Rubber manufactures	1,650	763	275	29	9
Miscellaneous articles wholly or mainly manufactured	29,249	16,224	13,401	36	25
Total	365,244	234,743	200,420	40	31
Animals, not for food	679	166	127	15	10
Parcel post	12,018	5,844	3,684	47	30
Total all classes	470,755	269,451	232,228	36	29

FOOD, DRINK AND TOBACCO

Exports from the United Kingdom of drink are now, as might be expected, much larger than those of food or tobacco. The largest single item is whisky, for which the United States is the chief market, taking in 1943 a total of 3,433,951 proof gallons (£6,-120,122) as compared with 3,933,662 proof gallons (£5,597,633) in 1938. Shipments to Canada were 513,616 proof gallons (£891,483) in 1943 and 771,007 proof gallons (£867,760) in 1938. Other items show heavy reductions.

RAW MATERIALS

Coal is the only raw material of any importance available for export from the United Kingdom. On a quantity basis, exports fell between 1938 and 1943 by no less than 90 per cent. Exports of raw wool, non-ferrous ores, and unmanufactured oils have been reduced almost to the vanishing point. Shipments of artificial silk waste, etc. and of hides and skins (essentially rabbit skins) fell by only two-thirds, exports in these last two groups being almost entirely to Canada and the United States.

MANUFACTURED GOODS

In the textile groups the only one for which the volume index in 1942 or 1943 was higher than for 1938 was silk and artificial silk goods. Exports of these rose steadily during all the war years up to 1942, in which year the index was two-thirds higher than in 1938. This is the only group showing a continuous wartime rise. In each of the other sections the fall as compared with the 1938 level was some 20 per cent or more by 1942. The pre-war expansion was continued as a result of the export drive. Supplies of artificial silk piece-goods were used to supplement the small supplies of cotton, and in 1942 to help fill the gap created by the cessation of Japanese exports. These factors operated in 1943, but shortage of labour caused a reduction in exports to one-third less than in 1942.

Cotton goods, the United Kingdom's principal textile export, declined by two-thirds in 1943 as compared with the pre-war level; woollens by three-fifths; and apparel and miscellaneous textiles by about four-fifths.

Exports of machinery fell by over two-thirds between 1938 and 1943, but this reduction would have been much larger had it not been for the supplies of machine tools, electrical machinery, etc. sent to Russia. This contraction in machinery exports is one of the most serious features of the returns, as this class of goods is likely to provide the most profitable opportunities for exporting countries in the immediate post-war period.

Deliveries abroad of chemicals had fallen by 1942 to rather more than two-thirds of the pre-war total, but the proportion rose to four-fifths in 1943, largely as a result of shipments of special supplies of benzol to the United States.

Exports of pottery, glass, etc., mainly made from indigenous materials, were relatively well maintained until 1943, when a shortage of labour caused a reduction to little more than half the pre-war figure.

Geographical Distribution of Exports

Table II shows the destination of exports by main geographical areas in the years under review.

As regards individual countries, Australia is now the United Kingdom's best customer, followed by Canada and South Africa. Exports to the present chief markets for United Kingdom merchandise are given in Table III.

Exports to Canada

On the basis of values, therefore, exports to Canada showed a comparatively good result.

The statistics include particulars of the values of the main commodities consigned to Canada. These have been extracted as far as possible and are shown in Table IV.

TABLE II

United Kingdom Exports by Destinations

	1938	1942	1943
	£ Million		
*Enemy and enemy-occupied countries in Europe..	112.0	....	....
Other Mediterranean countries	27.2	20.7	21.1
Rest of Europe	45.6	35.6	27.2
Rest of Africa	63.3	51.9	47.6
Enemy and enemy-occupied countries in Asia.....	25.8	3.5	....
Rest of Asia	50.1	29.4	24.0
Oceania	58.1	45.1	40.1
North America	44.6	50.2	43.1
Central America and West Indies	9.9	8.5	7.8
South America	34.2	24.6	21.3
Total, all countries	470.8	269.5	232.2

* This includes all those countries in Europe (excluding Italy) which were enemy or enemy-occupied at the end of 1943.

TABLE III

United Kingdom Exports by Principal Countries

	1938	1942	1943
	£ Million		
Australia	38.0	32.3	26.9
Canada	22.5	25.6	23.1
Union of South Africa	39.5	31.5	21.6
United States	20.5	23.5	19.2
India	33.7	22.2	17.5
Eire	20.3	17.9	11.6
New Zealand	19.2	12.6	12.8
Argentina	19.3	13.3	9.5

TABLE IV

United Kingdom Exports to Canada by Principal Commodities

	1938	1942	1943
	£1,000	£1,000	£1,000
Pottery, glass, abrasives, etc.	1,118	2,360	1,927
Iron and steel and manufactures	2,306	243	118
Non-ferrous metals and manufactures.....	393	105	148
Cutlery, hardware, implements and instruments....	393	410	305
Electrical goods and apparatus	149	371	439
Machinery	1,558	1,462	951
Cotton yarns, grey unbleached	329	789	832
Cotton piece-goods	1,102	1,748	1,266
Cotton manufactures (other)	428	864	547
Woollen manufactures	3,404	6,246	6,529
Silk and artificial silk manufactures	418	1,624	1,555
Other textile material manufactures	1,138	1,336	1,116
Apparel	514	802	436
Footwear	90	47	5
Chemicals	1,149	1,528	1,131
Leather and manufactures	316	529	282
Paper, cardboard, etc.	243	173	113
Vehicles (including ships, aircraft and locomotives)	697	389	581
Rubber manufactures	23	19	5
Books	268	146	127

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

10. Flour Milling

By G. L. BURTON, *Grain Statistician, Dominion Bureau of Statistics*

Flour milling is one of the oldest of our industries. The first flour mill in Canada was built in Port Royal, now Annapolis, Nova Scotia, in 1607. It was here, too, that the first wheat to be grown on Canadian soil was harvested in 1605. An early writer states that the reason for the construction of this water-driven mill is to be found in the refusal of the Indians to grind the wheat in the handmills then in use. As land was settled in French Canada under the seigneurial system of tenure it became the duty of the seigneur to provide a mill for his tenants. Although the total number of mills, according to the census, was only 9 in 1685, there were 118 by 1734.

With the coming of the United Empire Loyalists to Upper Canada to found a settlement at Kingston in 1784 we find record of a mill being built on the Great Cataraqui River, six miles from the settlement. Water power was harnessed at Niagara and Napanee to drive other mills in 1786 and the era of first beginnings in Ontario had passed.

Early Development of an Export Market

The French Revolution and the Napoleonic wars which followed created an export market for Canadian wheat and flour. Between 1793 and 1808 wheat exports averaged 272,000 bushels, but fluctuated greatly from year to year, while flour exports, averaging 18,000 barrels per year, increased steadily over the period. By 1830 the industry had become firmly established with 393 mills in Lower Canada and 319 in Upper Canada. During the decade of the eighteen thirties, Great Britain imported an annual average of 43,000 barrels of wheat flour from Canada, despite the restrictive influence of the Corn Laws.

In 1843 a special preference was granted which permitted Canadian wheat and flour to enter the British

market at a nominal rate of 1s. per quarter of 480 pounds. Thus stimulated, the Canadian milling industry, with Montreal as its focal point, expanded and drew upon American as well as Canadian supplies of wheat. Heavy investments were made in fixed plant and in canal facilities along the St. Lawrence, with the result that the loss of the preference in the British market, due to the repeal of the Corn Laws in 1846, caused extreme dissatisfaction and contributed to the motivation of the Annexation Movement of 1848. Economic conditions began to improve in 1849 and continued to do so during the fifties as the result of the Reciprocity Treaty with the United States, the stimulus given export demand by the Crimean War, and the start of an era of railway building in Canada.

Growth of the Industry

The subsequent history of the industry in Canada was greatly influenced by an important technological improvement, the adoption of steel rollers in place of millstones, and the gradual reduction process of milling which made possible the separation of flours of various grades. This invention permitted a lowering of production costs by increasing the size of plant, with the result that many of the smaller mills either had to close down or continue as chopping mills.

This trend is indicated by the decennial census data, which, although not entirely comparable, show a reduction in number of mills accompanied by an expansion in value of total output. Millstones had been generally displaced by the end of the seventies. The following statistics from decennial census data, giving the number of flour and grist mills in Canada, 1871-1941, are indicative of the growth of the industry:—

	Number of Mills	Value of Product
1871	2,440	\$39,000,000
1881	2,407	42,000,000
1891	2,550	52,000,000
*1901	400	32,000,000
1911	1,141	82,000,000
1921	1,257	195,000,000
1931	1,265	96,000,000
1941	1,129	144,000,000

* Includes only those mills employing 5 or more persons.

When those mills equipped to produce flour only are included, the number of establishments is greatly reduced and exhibits an even more pronounced downward trend in numbers. In 1923 there were 560 "flour" mills; in 1942 there were 281. The 200 mills which reported to the Bureau of Statistics in 1944 had an estimated capacity of 92,519 barrels per day. Ontario ranks first with half the milling capacity, Saskatchewan is second, followed by Alberta, Manitoba and Quebec.

Flour Exports in Relation to Wheat Exports

As far back as 1868 Canada exported a high proportion of her wheat in the form of flour. During the last third of the nineteenth century flour ex-

ports averaged 31 per cent of total wheat and flour exports. This proportion was reduced to 20 per cent between 1900 and 1914, rose to 27 per cent during the first World War, declined during the inter-war period, and is averaging around 20 per cent during the present war.

Thus, the flour milling industry has, since the turn of the century, expanded its exports to keep pace with Canada's wheat exports, which grew rapidly with the settlement of the West. Flour exports exhibit a much smaller degree of fluctuation from year to year than do exports of wheat. Table I gives the comparative exports of wheat flour and wheat from 1868 to 1943, inclusive.

Exports of wheat flour were built up from about one million barrels at the beginning of the century to approximately 5 million barrels in 1914. Exports more than doubled during World War I and this new higher level was maintained during the years from 1919 until 1928. During the seven-year period 1922-28 flour exports averaged 10.7 million barrels per year, a record which has yet to be exceeded.

TABLE I

Exports of Wheat Flour and Wheat from Canada, 1868-1944*

Crop Year	Wheat Flour in Terms of Wheat† Bushels	Wheat Bushels	Proportion of Wheat Flour to Total Wheat and Wheat Flour Exports Per Cent
1868	1,688,486	2,809,208	37.5
1870-79, annual average.....	1,960,584	4,464,439	30.5
1880-89, annual average.....	1,450,074	2,745,048	34.6
1890-99, annual average.....	2,321,172	10,208,020	18.5
1900-09, annual average.....	7,446,244	32,055,434	18.8
1910-14, annual average.....	19,307,254	80,308,890	20.2
1915	33,418,967	235,738,776	12.4
1916	34,341,431	140,223,819	19.7
1917	50,660,739	118,579,601	29.9
1918	41,039,082	55,921,319	42.3
1919	29,049,431	63,450,123	31.4
1920	30,246,611	136,968,832	18.1
1921	34,834,320	150,935,359	18.8
1922-28, annual average.....	48,223,018	262,721,097	15.5
1929-38, annual average.....	23,470,795	175,168,313	11.8
1939	30,516,152	177,380,363	14.7
1940	46,299,722	177,967,532	20.6
1941	45,926,001	175,979,960	20.7
1942	56,588,468	146,104,619	27.9
1943	60,589,670	287,884,193	17.4

* Years ended June 30, 1869 to 1905 and July 31, 1906 to 1943.

† About 4½ bushels of wheat are required to produce one barrel of flour of 196 pounds.

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After 1928 exports dropped back to the pre-war level as European importers raised their tariff barriers against wheat and flour in an effort to promote economic self-sufficiency. It is noteworthy that domestic consumption did not decline during this period.

The present war has witnessed a revival of the export trade in wheat flour, so that Canada is again exporting a higher proportion of her wheat surplus in the form of flour. Exports in the crop year 1943-44 attained a record of 13.5 million barrels, which broke the record of 12.6 million barrels established in 1942. Exports during the five crop years which have elapsed since the outbreak of war average 10.7 million barrels, equalling the average for the 1922-28 period.

Destination of Exports

United Kingdom.—The United Kingdom has always been Canada's best flour customer. In 1901 exports to that market represented 69 per cent of Canada's total exports; in 1928, 27 per cent; in 1937, 57 per cent and in 1943, 59 per cent. The percentage of the total taken by the United Kingdom market depends to a great extent upon European demand and also upon the ability of Canadian millers to compete with British millers who, in normal times, enjoy the advantage of being able to buy cheaper Australian and Argentine wheat to mix with Canadian wheat.

British West Indies.—Canada has in the past competed with Australian, British and American millers for the flour market in the British West Indies. The American subsidy on flour exports offsets the preference which Empire countries enjoyed in these lands. In 1928 our exports to the British West Indies represented 9 per cent of total flour exports; in 1937, 1 per cent; and in 1943, 9 per cent again.

Newfoundland.—By reason of proximity Canada has enjoyed a steady and gradually expanding market for flour in Newfoundland. In 1901 exports to this crown colony amounted to 234,000 barrels and in 1942 had expanded to 332,000 barrels. Although this market will decline somewhat as military activities are curtailed, it promises to continue to provide a steady outlet for Canadian flour.

Other Empire countries and protectorates which have provided us with markets in the past, and are likely to do so again, are Egypt, South Africa, Malta and British West Africa.

Foreign Countries.—In the past we have sold considerable quantities of flour to Denmark, Finland, Norway, Holland, Germany, Italy and Japan, with smaller amounts going to many other countries. The Canadian milling industry has enjoyed only a limited degree of success in competing with the United States for South American markets. Table II shows the distribution of Canadian flour exports, by

TABLE II

Exports of Wheat Flour by Principal Countries, 1901-1943

	1901 ²	1916 ³	1923 ³	1928 ⁴	1937 ⁴	1943 ⁴
			Thousands of Barrels			
All countries	1,119	6,400	10,227	10,737	4,087	12,904
Empire countries	1,089	4,986	6,103	5,209	3,488	9,631
United Kingdom	771	3,895	4,724	2,930	2,319	7,630
British West Indies	34	381	596	938	595	1,186
Newfoundland	234	274	373	337	258	332
Others	50	436	410	1,004	316	483
Foreign countries	30	1,414	4,124	5,528	599	3,273
Germany .....	....	....	675	1,271	....	....
Italy .....	....	3	19	....	1	....
Japan	3	....	125	96	96	....
Netherlands	2	34	136	270	22	....
Norway .....	....	78	133	....	105	....
Central and So. America. ....	....	12	132	165	51	84
All others ¹	25	1,287	2,904	3,726	324	3,189

¹ Includes Egypt. ² Year ending June 30. ³ Year ending March 31. ⁴ Calendar year.

principal countries of destination, for selected years.

SUMMARY

If experience in the past is any guide to the future, Canada's most stable export outlet for flour will continue to be the United Kingdom. The British West Indies, Newfoundland and other Empire countries have also bought fairly constant amounts of Canadian flour from year to year. The great fluctuations in total sales have been caused by the erratic purchases of non-Empire countries.

The effect of the latter upon the Canadian milling industry is strikingly evident if sales in 1927 are compared with those in 1938. In the latter year exports to foreign countries had dropped to nearly one-tenth of their 1927 volume. The nationalistic policies adopted by European countries in raising high tariff barriers against Canadian wheat and flour has had as repressive effects upon Canadian flour as upon Canadian wheat exports.

Production in Relation to Domestic Consumption

Table III shows the production and consumption of wheat flour in Canada for the period 1925-26 to 1943-44. In

TABLE III

Production and Domestic Consumption of Wheat Flour

Crop Year	Domestic	
	Production	Disappearance
	Thousands of Barrels	
1925-26 ...	19,025	8,193
1926-27 ...	17,862	8,638
1927-28 ...	19,074	9,226
1928-29 ...	20,872	9,158
1929-30 ...	15,758	8,733
1930-31 ...	15,968	9,248
1931-32 ...	14,632	9,278
1932-33 ...	15,013	9,694
1933-34 ...	14,942	9,571
1934-35 ...	14,169	9,570
1935-36 ...	14,922	9,970
1936-37 ...	14,249	9,678
1937-38 ...	12,868	9,520
1938-39 ...	15,197	10,494
1939-40 ...	17,778	11,000
1940-41 ...	19,576	9,575
1941-42 ...	19,906	9,671
1942-43 ...	23,591	11,046
1943-44 ...	24,289*	10,872*

* Preliminary.

connection, with the figures in this table it should be noted that production less domestic consumption is not necessarily equal to exports, since stocks change from year to year.

It is apparent from the foregoing figures that the industry has been developed to supply an export market which absorbs from a third to a half of total production. Since domestic consumption of flour remains fairly constant on a per capita basis, the welfare of the industry is dependent upon the retention of an export market. It is not possible to dispose of a significantly larger quantity in the domestic market by lowering the price, as may be done in the case of certain more expensive foods such as milk, meat and fruit. Bread is a cheap, staple food and the quantities bought do not change appreciably either with a moderate change in the price of bread or in the size of consumers' income streams.

The great expansion in flour production which has occurred during the present war, has been absorbed almost entirely by the export rather than the domestic market. Consequently if the industry is to continue at all near its present level of production during the post-war period, the export market is of the utmost importance. There will not be full employment in this sector of the economy, if adequate export outlets are lacking.

Flour-Milling in the Canadian Economy

The Canadian milling industry has an importance greater than that indicated by payroll statistics and data on value added by manufacture.

During the crop year 1943-44 nearly 110 million bushels of wheat were processed by Canadian flour mills. An important by-product was the production of 795,000 tons of millfeeds, which is a valuable feed for dairy cows since it is very palatable, has a moderately high protein content and is much higher in vitamin B1 than flour. About

437,000 tons, or 55 per cent of this quantity of millfeeds, were provided from millings for export.

Moreover, the high quality of Canadian flour tends to strengthen the export demand for Canadian wheat with its high protein content, since overseas millers require a strong wheat for their mix if they are to compete with Canadian flour on a quality basis.

Supplied with raw materials of high quality, provided with a well-integrated transportation system, having adequate supplies of power and a domestic market for by-products, the Canadian flour-milling industry is in an exceptionally favourable position from a competitive standpoint. If Canada is to raise her people's standard of living and at the same time expand her population, greater industrialization must take place. From this point of view the milling industry is of exceptional significance in that it is able to compete in world markets without benefit of tariff protection.

It appears likely that Canada's exports of wheat and flour will be limited after the war by international agreement. The larger the proportion of wheat flour exported under such a quota, the greater will be the opportunities for employment of labour and capital in the domestic economy.

The future of the industry will depend in large part on two closely related factors: (1) the tariff policies adopted by the trading nations of the world, and (2) the subsidies paid by export countries on commodities exported. If conditions of freer trade prevail in the post-war years, permitting those countries which can produce at lowest cost to sell in other countries, it seems probable that European markets for Canadian flour will expand. Conversely, if flour-producing countries subsidize exports, thus permitting exporters to sell more cheaply in the foreign than the domestic market, the Canadian industry will be likely to face stiff competition.

PRICE CONTROL IN NEWFOUNDLAND

By R. P. BOWER, *Canadian Trade Commissioner at St. John's*

In a report on the subject of price control in Newfoundland, published in *Commercial Intelligence Journal* No. 2127 (November 4, 1944), page 421, there was a reference to the intention of the Newfoundland Government to introduce a measure of price control based on limited mark-ups which importers and retailers could charge for merchandise sold in the country. Since that report was written, an order has been gazetted, effective October 31, and called the Price of Goods (Maximum Price Computation) Order (No. 1), 1944. A schedule attached to the order lists various foodstuffs for which both wholesale and retail percentage mark-ups are indicated. The maximum price of any price-controlled article on a sale to a retailer is to be computed as follows:—

1. In the case of a seller who is the importer of the goods sold, by add-

ing the appropriate wholesale percentage to the aggregate of the following amounts:—

- (a) The price paid by the seller for the goods in the country of origin, less trade discounts.
- (b) The amount of import duty and revenue war tax, if any, paid in respect of the said goods.
- (c) The bank charges, if any, paid by the seller for negotiation of documents in respect of the goods, exclusive of interest charges on money borrowed to finance purchase of the goods.
- (d) When the purchase price of the said goods has been paid by the seller before delivery of the said goods to him, the amount of interest on the amount of the purchase price, calculated at the rate of 5 per cent per annum for the period from the 30th day

after such payment up to and including the date of delivery of the said goods to the seller; and the amount (if any) paid or agreed to be paid by the seller in respect of storage, transportation, handling, and insurance from the date when the seller contracted to purchase the goods until the date when he receives the goods in his own warehouse (both dates inclusive).

2. In the case of a seller who is the manufacturer or producer in Newfoundland of the price-controlled goods, or who is not the importer or manufacturer in Newfoundland of the price-controlled goods sold, or who has not purchased such goods directly from such importer or manufacturer, the maximum price will be computed as if the seller were the importer of the price-controlled goods sold.

The maximum price to be charged for price-controlled goods for sale at retail will be computed as follows:—

1. In the case of a seller who is the importer of the price-controlled goods, by adding the appropriate retail percentage to the maximum price computed in accordance with the foregoing formula for goods imported for sale to a retailer. This means that a retailer who imports directly from abroad is entitled to base his retail price on the approved mark-up of an importer, plus the approved mark-up of a retailer on the goods in question.

2. In the case of a seller who is the manufacturer or producer in Newfoundland of the price-controlled goods sold by him, by adding the appropriate retail percentage to the maximum price

computed in accordance with the foregoing formula for determining the maximum importer's selling price.

3. In the case of a seller who is not an importer or manufacturer or producer in Newfoundland of the price-controlled goods sold by him, or who has not purchased the goods directly from the manufacturer or producer thereof in Newfoundland, by adding the appropriate retail percentage to the maximum price allowed for the same goods when sold to a retailer by an importer or producer.

Retailers are entitled to add to the maximum prices computed any charges incurred in respect of transportation, provided these charges are not already included in the maximum price quoted. They may also include the cost of any services in respect of the goods which the retailers may perform for and at the request of the buyers, and they may also add extra charges should credit facilities be extended beyond thirty days. In such cases, however, the amounts must be shown as separate items on the invoice and must be clearly indicated at the time the sale is made.

The maximum prices on a sale by retail of all price-controlled goods brought into Newfoundland in parcels the contents of which are of an invoice value not exceeding \$25 shall be such as to make the price of the article to the consumer not more than 120 per cent of the invoice price as declared on the parcel, plus duty and war surcharge, if any, plus postage paid if this is not included in the invoice.

Following is the schedule attached to the Order listing the appropriate wholesale and retail mark-ups which will be allowed for the various items controlled:—

Schedule of Mark-ups Allowed

	Appropriate Wholesale Percentage	Appropriate Retail Percentage
Flour	10	17½
Barrelled beef	10	25
Barrelled pork	10	25
Bologna	12½	30
Bacon and ham	15	30
Dried beans, peas, rice	12½	25

Schedule of Mark-ups Allowed—Con.

	Appropriate Wholesale Percentage	Appropriate Retail Percentage
Biscuits and cake—		
Imported, in package.....	15	25
Imported, loose.....	15	35
Local, in package.....	12½	25
Local, loose.....	12½	25
Confectionery.....	12½	25
Butter.....	12½	20
Eggs.....	12½	25
Cheese, in package.....	12½	25
Cheese, cutting.....	12½	30
Cereals and cereal products—		
Package.....	15	30
Loose.....	12½	25
Cocoa and coffee.....	12½	30
Dried fruits.....	15	30
Crystallized fruits.....	15	30
Tutti Frutti.....	15	40
Canned goods.....	12½	25
Milk foods.....	15	30
Bottled goods.....	15	30
Any other foodstuff (excluding fresh fruits and vegetables but including potatoes and cabbage).....	12½	25

POST-WAR TRADE PROSPECTS FOR DRIED EGGS IN NORTHERN IRELAND

By E. L. McCOLL, *Canadian Trade Commissioner at Belfast*

The post-war demand for dried eggs in Northern Ireland will depend to a great extent on the available supplies and the prices of eggs in the shell, and will probably be smaller than in other parts of the United Kingdom in view of the fact that the poultry and egg industry is one of the most important factors in the agricultural economy of Ulster.

Before the outbreak of war the output of eggs was valued at more than £2,000,000 per annum. Approximately 50 per cent of the total production was consumed at home, and the remainder was despatched to Great Britain. Shipments to that market in 1943 were valued at £3,000,000, and the estimated value of eggs handled by packing stations in the same year was £4,000,000. The number of thirty-dozen cases passing through these establishments rose from 1,009,694 in 1939 to 1,047,575 in 1940, but declined gradually to a total of 816,064 in 1943.

Housewives in this area, who had been accustomed to purchasing home-produced eggs freely before the war, were slower to take up their allocation of dried eggs than users in Great Bri-

tain. However, with improved methods of dehydration and elimination of the slightly sulphurous smell which was an objectionable characteristic of earlier consignments, their use has increased locally, and it is considered that in the post-war period they will prove more economically suitable for many culinary purposes and will also be of value during those recurring seasons when the home-produced type are scarce and expensive.

Imports

In peace time there was some importation of frozen eggs, or egg melange, in tins, for use in the bakery trade. China supplied 99 per cent of the imports, with small consignments coming from Eire and Australia. The figures for the three years preceding the outbreak of war were as follows: 1936, 501 cwt. (£1,499); 1937, 43 cwt. (£128); 1938, 866 cwt. (£3,322).

Most of the principal bakeries are using dried eggs at present, but opinions differ somewhat as to their merits in comparison with frozen eggs. It has been reported that in some cases the

mixtures in which they are used have not the same keeping qualities—that is, they tend to dry or become stale more quickly than those in which liquid eggs are used. There will undoubtedly be some outlet for them, however, in both the baking and catering trades in the post-war period.

There is no doubt that the egg, ever a useful, inexpensive, and readily prepared item on the menus of all classes, will continue to be favoured by housewives after the war. Conditions obtain-

ing during the last few years have shown both how indispensable and how invaluable an article of diet it is, and recent dicta of dieticians have entrenched it firmly in public favour.

There seems every reason to expect, therefore, that imports will be an important factor in Northern Ireland's post-war trade, and that to meet the requirements of those who have experienced the convenience of using dried eggs there will be a steady demand for them in the future.

SOUTH AFRICAN INDUSTRIAL DEVELOPMENT IN 1943

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

South African industry continued to expand in various phases during 1943. The number of registered factories increased considerably and, at the end of 1943, totalled 6,835. This is an increase of 500 over the 1942 figure but does not include 1,279 awaiting registration at the end of the year.

Expansion during 1943 was most marked in engineering, clothing, chemicals, leather and footwear, saw-milling, distilling, fruit drying and canning, other canned foodstuffs, and furniture. In fact, the larger engineering firms and foundries found difficulty in coping with orders, and factories producing bacon and similar products, jam, canned fruit and vegetables and other food packs worked to capacity.

In general there were few factories established to make products not formerly manufactured in South Africa. One establishment is making mats and shopping-bags from old felt hats; another has installed a plant for spinning zinc by hot process; more factories are producing cosmetics, tooth paste, shaving creams and other toilet requisites, and some of them now make containers for their various preparations.

The following brief notes indicate the state of industry in the phases mentioned:—

Brushware.—Brushes are in great demand and the factories are working to capacity.

Clothing.—The large clothing factories produced to capacity but some of the smaller ones worked short time due to scarcity of material. With control and pooling of textiles, buttons, buckles, etc., there was less short time worked than in the previous year.

Diamond Cutting.—Five additional works were established in 1943.

Fruit Baskets.—Another factory has been established to produce baskets for the fruit industry.

Furniture.—The large furniture factories have mainly been working to capacity but some of the smaller ones have been working sporadically due to scarcity of timber and fittings. Imported fittings are difficult to obtain and local manufacturers of fittings find difficulty in maintaining the supply.

Pottery.—There has been an increase in the production of pottery, vases, jugs and other earthenware articles such as ashtrays. The manufacture of cups and saucers is beyond the experimental stage but the extent of production is still far from being sufficient for the country's requirements.

Rubber Goods.—Rubber products are produced solely under government direction. The production of rubber-soled canvas shoes continues at a good pace in spite of difficulties in obtaining suitable canvas and even though using substitutes for rubber.

Sawmilling.—Many sawmills have started up as a result of the scarcity of timber. A good proportion of these are portable and are moved from place to place according to the location of the timber to be cut. Many of the mills concentrate on the production of fruit boxes and other containers and are actually using large quantities of wood formerly used for firewood or merely burnt.

Vegetable Dehydration.—One concern in the canning industry has ceased

dehydration of vegetables but a large dehydrating plant is being built on a farm producing considerable quantities of vegetables.

Water Craft.—There has been an increase in the number of firms building rowboats and motorboats and also an increased production of larger coastal patrol craft.

Wattle Bark.—Factories handling wattle bark and making extract have been working to capacity to supply local demands and export requirements.

NEW YORK FOREIGN TRADE ZONE

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

For the past two years Foreign Trade Zone No. 1 at New York City has been operating under two severe handicaps. Following the entry of the United States into the war, the War Department took over a major part of the Zone area at Staten Island for military purposes, and the operators had to find suitable piers in other sections of the Port of New York. As a result of lack of accommodation, a considerable amount of business has been lost. The other handicap has been the large decline in receipts of foreign merchandise.

In spite of these difficulties the New York Foreign Trade Zone operators have been able to make substantial progress. Manipulating operations have required the employment of a large number of persons. Gross income for the past two years was in excess of costs of operation and maintenance.

Operations in the Zone

The principal processing operations carried on in the New York Foreign Trade Zone have been in Sumatra tobacco and Swiss watches.

The Netherlands Indies Produce Corporation have the complete facilities of a tobacco warehouse where Sumatra tobacco is unpacked, examined, and re-packed. Any leaves that are below standard are removed,

segregated and re-packed for export to other markets, while the perfect tobacco is held for general sale, being either imported into the United States or re-exported.

The marking and re-marking of foreign watch movements and cases had developed into a substantial enterprise and has provided work for a considerable number of people.

Other work carried on in the Zone has been the manipulation of foreign woollens, the sale of abandoned merchandise, and the packaging of goods for transmission by the Red Cross to war prisoners. The importation of alcoholic beverages into the Zone has developed into a large operation, and substantial quantities have been stored in the Zone, where there are facilities for convenient examination and sampling of the liquor.

In addition to the foregoing, there are many other commodities brought into the Zone for storage and future import into the United States. From time to time other United States Government agencies have used the Zone to store large quantities of goods for future disposal.

Cargo Handled

Since 1941 the volume and value of merchandise handled at the Foreign Trade Zone have shown a steady decrease, attributable to the effect of the

war on international trade. Receipts of cargo at the Zone in 1943 amounted to 36,876 tons (\$25,212,174) as against 45,542 tons (\$36,894,635) in 1942. Shipments out of the Zone totalled 39,234 tons (\$34,969,765) as compared with 87,209 tons (\$43,942,196) in 1942.

The accompanying table shows the amounts and value of cargo handled at the Zone for the years 1941, 1942, and 1943.

goods, cotton, and copra. The ten leading countries of origin were: Switzerland, United Kingdom, Mexico, Cuba, Egypt, United States, Virgin Islands, British India, Canada, and the Netherlands East Indies.

Merchandise Leaving the Zone

The number of different destinations for commodities shipped from the Zone increased from 62 in 1942 to 67 in

Cargo Received

	1941		1942		1943	
	Tons	\$	Tons	\$	Tons	\$
Foreign countries	114,122	63,782,894	38,572	32,416,817	33,144	23,939,455
United States	22,736	24,840,300	6,970	4,477,818	3,732	1,272,719
Total	136,860	88,623,194	45,542	36,894,635	36,876	25,212,174

Cargo Dispatched

	1941		1942		1943	
	Tons	\$	Tons	\$	Tons	\$
Foreign countries	47,320	37,276,008	40,968	19,311,836	16,851	14,502,788
United States	78,640	35,739,852	46,241	24,630,360	22,383	20,466,977
Total	125,960	73,015,860	87,209	43,942,196	39,234	34,969,765

During the past year 194 kinds of merchandise entered the Zone from 51 different countries, while in 1942 there were 174 commodities from 54 countries. The principal commodities entered were: distilled spirits, sugar bags, Babassu nuts, sugar, canned foodstuffs, cotton thread, dried fish, cotton piece-

1943. The ten leading countries of destination were: United States, Cuba, Colombia, Chile, Belgian Congo, Venezuela, British West Africa, Mexico, Canada, and British India.

Following is a summary of the tonnage and value of merchandise leaving the Zone for the years 1941 to 1943:—

	Year	Tons	\$
Foreign goods exported*	1941	24,194	9,866,499
	1942	31,237	12,817,244
	1943	16,685	14,453,355
United States goods exported*	1941	22,177	27,157,891
	1942	8,651	6,204,805
	1943	165	49,433
Foreign and U.S.A. goods exported†	1941	959	251,618
	1942	1,158	315,737
	1943	....	....
Foreign goods imported†	1941	60,217	31,016,307
	1942	31,644	18,253,468
	1943	20,606	18,660,561
United States goods imported†	1941	4,523	684,549
	1942	1,345	203,109
	1943	1,310	312,051
Foreign and U.S.A. goods imported‡	1941	8,901	4,039,086
	1942	13,174	6,147,833
	1943	468	1,494,365

* Exported means leaving the zone for a foreign country.

† Imported means entering the United States customs territory.

‡ Manipulated merchandise.

Customs Revenue

Accompanying the growth of Foreign Trade Zone No. 1 at New York has been a steady increase in the amount of customs revenue collected. However, there was a sharp decrease in the amount of revenue collected in 1942, but this was more than compensated for in 1943, when duties collected totalled \$11,285,623. The customs revenues collected for the years 1939 to 1943 were as follows: 1939, \$732,167; 1940, \$1,931,296; 1941, \$2,867,352; 1942, \$1,998,852; 1943, \$11,285,623.

Financial Position

Gross income from operations of the Foreign Trade Zone in 1943 amounted to \$504,710, of which \$232,617 was from storage, \$39,011 from rentals, \$35,146 from wharfage, and \$197,933 from labour. For the same period the cost of maintenance and administration was \$385,736. The comparable figures for 1942 are as follows: gross income totalled \$575,349, consisting of \$306,253 derived from storage, \$89,826 from rentals, \$30,280 from wharfage, and \$148,989 from handling. The cost of operation, maintenance and administration amounted to \$411,631. In addition, customs service charges to the amount of \$53,837 were subject to adjustment.

Outlook

It is impossible to forecast what the future will be for the New York For-

eign Trade Zone; its growth will depend upon the volume of foreign trade that can be directed thereto.

The Army has greatly improved the Zone by installing additional equipment, paving, and making some of the piers more permanent. It is expected that the improvements will be made available to the City of New York for the operation of the Zone when the property is returned to the city.

The City of New York has made certain recommendations in its reports to the Foreign Trade Zone Board, Washington, D.C., which, if accepted, will mean a large movement of foreign goods into the Zone and its greater use by United States firms. The principal recommendations put forward are as follows: (1) permission to allow light manufacturing in the Zone; (2) elimination of the requirement of posting a bond for privileged foreign merchandise; (3) valuation of non-privileged merchandise at date of entry into the United States customs territory instead of at date of exportation from the country of origin; (4) provision for allowing drawback payment on foreign goods to be made immediately goods are moved into a foreign trade zone instead of requiring that the goods be delivered abroad before making payment of drawback.

New York, October 24, 1944

UNITED STATES CONTROL OF NEWSPRINT SUPPLIES

By W. D. WALLACE, *Office of the Trade Commissioner at New York*

At the meeting of the Newspaper Industry Advisory Committee to the War Production Board, held on October 25 and 26, several recommendations were made to the W.P.B. in connection with the future control of newsprint. Most of these recommendations had been made by a special committee representing newspaper, magazine and book publishers and were embodied in the Advisory Committee's final request to the War Production Board.

Recommendations

The principal recommendation was that the War Production Board should retain its control over newsprint until the supply becomes equal to the tonnage that was consumed in 1941. In other words, the present limitation Order L-240 would be continued in effect, irrespective of the date of the end of the war in Europe, until production is sufficient to meet all demands. The War Production Board

officials gave assurance that the orderly relaxation of Order L-240 will be coordinated with relaxation of other orders controlling forest products.

Additional recommendations of the Advisory Committee included the following:—

That government control of use of newsprint should be relaxed and discontinued in an orderly manner as rapidly as wartime needs permit.

That when increased production of print paper permits, it be made immediately available to publishers by reducing the present percentage of use curtailment.

That the War Production Board seek to relax or discontinue United States and foreign government restrictions limiting print paper production as soon as war conditions permit.

Paper Situation

The special committee commenting on the paper situation summarized the position as follows:—

1. Wartime restrictions cannot be relaxed to any extent in view of present available supplies.

2. There is not much hope that importations of Scandinavian newsprint will increase supplies in the near future. Although it is reported that some 8,500 tons of newsprint per month will be available from Sweden, delivery dates of this newsprint will have to await the lifting of the blockade.

3. Every effort should be made to increase production of pulpwood and print paper and to conserve and salvage waste paper.

BUSINESS CONDITIONS IN HAITI

By J. L. MUTTER, *Canadian Trade Commissioner at Havana*

(One gourde equals U.S.\$0.20)

The Haitian fiscal year begins on October 1, and this report relates to the nine-month period ending June 30, 1944. One of the most striking features of the commercial situation during the first three-quarters of the year was the greatly increased activity in the banana industry, exports during that period showing an increase of 590 per cent in volume and 648 per cent in value over those for the same period in 1942-43. This expansion stimulated business generally throughout the country. Adverse factors, however, were the drought conditions which prevailed until the end of May, causing considerable damage to food crops and potential exports; the slow movement of export crops other than bananas and sugar, and the reduced payrolls of SHADA (the Société Haitiano-Américaine de Développement Agricole). This organization had on its payroll at December 31, 1943, only 43,700 agricultural labourers as compared with 90,600 eight months previously.

Living costs were considerably higher than in the preceding fiscal year, and basic foodstuffs and textiles were scarce. Although the movement of such commodities as coffee, sisal and cacao continued to lag, with export shipments considerably short of those for the period October-June, 1942-43, the position of the sugar industry was unquestionably the most favourable in many years, and the satisfactory development during June of the food production and procurement program undertaken under the aegis of the Foreign Economic Administration of the United States promised to compensate to some extent for the curtailment of SHADA's operations.

Coffee

Coffee is Haiti's leading crop, and up to 1940 the chief market for it was France. The invasion and subsequent collapse of that country posed a difficult problem for growers and exporters, and the position was acute

until in the latter part of 1940 the United States came to the rescue of Haitian economy by allocating to the Republic a quota in the United States market amounting to about 50 per cent of normal annual Haitian production, which is approximately 30,000 metric tons. The marketing of the remainder, however, continued to present such difficulties that Haiti's quota in the United States market for the coffee year 1941-42 was raised to 24,435 metric tons. This upward revision still having failed to relieve the situation, the United States Government finally agreed to absorb the entire production. Since then Haiti has continued to benefit from the Inter-American Coffee Quota Agreement, operating as it does with sufficient flexibility to allow such changes in the quota as are warranted by conditions prevailing at the time.

Coffee exports during the period October, 1943, to June, 1944, totalled 17,865 metric tons valued at 20,070,503 gourdes as compared with 23,384 metric tons valued at 25,904,984 gourdes during the corresponding nine months of the previous fiscal year. Under the quota agreement, 15,432 metric tons were shipped to the United States. The other principal countries of destination were: Canada, 1,820 metric tons; Switzerland, 500 tons; and Curacao, 104 tons.

Raw Sugar

Haiti is capable of producing annually from 50,000 to 60,000 short tons of sugar, but such production is largely dependent upon the movement of carryovers from previous crops, since existing storage facilities in the Republic will accommodate about 28,000 short tons only. In the 1940-41 crop year, for example, production amounted to 34,725 short tons, while in the same period exports totalled only 20,000 short tons. In the 1941-42 crop year production amounted to 38,000 short tons, but exports totalled only 19,000 tons. In the face of this situation brought about by the shortage of shipping and the shrinkage of

Haiti's traditional and best market for the product, the United Kingdom, the Haitian sugar industry was depressed during the first half of 1943. Towards the end of that year, however, the Commodity Credit Corporation of the United States agreed to purchase all the sugar that HASCO (Haitian American Sugar Company), the sole exporter, could produce in 1944.

The 1944 grinding season, one of the best in the recent history of the industry, ended in July with a total production for the year of 64,000 short tons of raw sugar and 3,225,000 gallons of molasses. Some 16,000 short tons of refined and semi-refined sugar were reserved for local consumption, leaving 48,000 tons of raw sugar for export.

During the nine-month period October, 1943, to June, 1944, sugar exports totalled 65,507 metric tons valued at 18,671,145 gourdes as compared with 3,529 metric tons valued at 1,034,758 gourdes in the corresponding nine months of the previous fiscal year.

Sisal

Sisal first appeared in Haiti's export statistics for the fiscal year 1926-27. Since that time its importance has steadily increased, exports for the fiscal year 1941-42 accounting for 19 per cent of the Republic's total exports. Following upon the loss of the Philippines, one of the United States' principal sources of supply of hemp fibre, an agreement reached in March, 1942, between the Governments of the United States and Haiti provided for the planting of an additional 24,000 acres of sisal, financed by a \$1,000,000 Export-Import Bank credit. High shipping priorities were granted this essential war material, and in consequence substantial shipments of the fibre have continued, while exports of other products have suffered on account of lack of shipping space.

While the bulk of Haitian sisal is exported to the United States, large quantities (over 2,000,000 pounds annually) are absorbed by the Dominican Republic for the manufacture of bags.

During the nine months October, 1943, to June, 1944, exports amounted to 6,006 metric tons valued at 5,589,798 gourdes as against 8,852 metric tons of a value of 8,206,050 gourdes for October, 1942, to June, 1943, a decrease of 32 per cent in both volume and value. This drop is largely accounted for by the difficulty of obtaining decorticating machinery and replacement parts, together with shipping and minor labour problems. SHADA (Société Haitiano-Américaine de Développement Agricole) has expressed confidence, however, in its ability to deliver by November, 1945, its commitment of 25,000,000 pounds, provided the necessary machinery is made available.

Cotton

Cotton production in Haiti has declined steadily since 1935, due to boll-weevil infestation. For many years up to the outbreak of war it ranked second on the list of the Republic's exports, but in 1941-42, exports represented less than 6 per cent of the total. The principal pre-war market was the United Kingdom, but since 1941 shipments to that destination have been negligible. Under an agreement reached in May, 1942, the United States guaranteed the disposal of Haiti's cotton crops at an agreed price.

Export shipments during the period under review were 4,172 metric tons valued at 4,807,442 gourdes as compared with only 334 metric tons with a value of 379,303 gourdes in the corresponding previous period, comprising largely stocks of the 1942 and 1943 crops.

Bananas

Exports of bananas during the period October, 1943, to June, 1944, totalled 1,855,449 stems valued at 4,728,981 gourdes as compared with 268,974 stems with a value of 632,095 gourdes, for October-June, 1942-43, an increase of 590 per cent in volume and 648 per cent in value.

By 1940 the banana-growing industry of Haiti had reached a profitable

productive stage, with exports second in importance only to coffee, but became a "war casualty" during the fiscal year 1941-42, when shipments represented less than 11 per cent of the country's total exports as compared with nearly 25 per cent in 1940-41. As a non-essential bananas did not qualify for priority consideration either in the matter of shipping space or machinery, transportation equipment and fertilizer, and shipments fell to an even lower level during the year ending September, 1943. In the latter part of that year, however, arrangements were made to transport the fruit by small schooners, and at the opening of the current year there was a noteworthy revival of the trade.

Other Commodities

Exports of cacao for the first nine months of the fiscal year 1943-44 were 1,132 metric tons, or 25 per cent less than for the corresponding period of the previous fiscal year. As compared with October-June, 1942-43, when there were no shipments, 2,120 metric tons of logwood were exported during the period under review. Shipments of *lignum vitae* showed a 26 per cent decrease in volume, and exports of goatskins fell short by 39 per cent of those for October-June, 1942-43. There were increases in the export volume of cotton-seed cake and meal of 94 per cent; rum, 280 per cent; refined sugar, and cashew nuts.

Foreign Trade

Total imports into Haiti during the period October, 1943, to June, 1944, were valued at 59,597,000 gourdes as compared with 35,843,805 gourdes for the corresponding period of the previous fiscal year. The value of exports totalled 63,123,596 gourdes as against 41,260,827 gourdes last year. There was, therefore, a favourable trade balance for the period of 3,526,596 gourdes. A comparison of the October-June period of 1943-44 with the corresponding previous period shows that there were the following increases in

the volume of articles imported: fish, 97 per cent; lard, 146 per cent; butter, 149 per cent; kerosene, 259 per cent; gasoline, 30 per cent; laundry soap, 36 per cent; paints, 22 per cent; cotton piece-goods, 40 per cent; lumber, 261 per cent; and wheat flour, 100 per cent.

Increases in import values were recorded for the following commodities or commodity groups: manufactures of iron and steel, 95 per cent; perfumery, 113 per cent; machinery and apparatus, 219 per cent; rubber goods, 57 per cent, and tobacco, 11 per cent.

The following decreases in import volume were noted: chemical and pharmaceutical products, 42 per cent; motor trucks, 18 per cent; motor cars, 4 per cent; live animals, 16 per cent; and meats, 83 per cent.

During the nine-month period the United States supplied 66 per cent of Haiti's total imports as compared with 75 per cent in the previous period. The other principal suppliers were: Mexico, 20 per cent; British Commonwealth, 5.71 per cent; Argentina, 2.84 per cent; Netherlands West Indies, 2.74 per cent.

The United States absorbed 63.23 per cent of total Haitian exports during the period under review, while 24.66 per cent went to countries of the

British Commonwealth, and 6.77 per cent to Colombia.

Financial Position

The gross public debt of the Republic at June 30, 1944, amounted to 64,991,000 gourdes as compared with 70,470,000 gourdes on June 30, 1943.

Cumulative receipts from all sources during the nine-month period ended June, 1944, amounted to 33,016,000 gourdes, an increase of 8,036,000 gourdes over revenue collections during the corresponding period of the fiscal year 1942-43.

Returns from various sources of revenue, with comparative figures for the preceding year, were as indicated hereunder:—

	October-June 1943-44 Gourdes	October-June 1942-43 Gourdes
Customs	23,481,000	17,123,000
Internal revenue	8,703,000	6,992,000
Miscellaneous ..	470,000	527,000
Total revenue.	33,016,000	24,980,000

Expenditures during the same period amounted to 27,863,000 gourdes, which was 8,196,000 gourdes (41.67 per cent) more than the amount disbursed during the first three-quarters of the fiscal year 1942-43.

Havana, October 12, 1944

RAIL SHIPMENTS TO MEXICO

For a considerable time the congestion on the National Railways of Mexico has made it necessary to place all rail traffic routed on or via the National Railways of Mexico, or consigned to gateways leading into Mexico, under strict control.

All rail shipments to Mexico therefore require first a priority issued by the Mexican Government; after this is obtained, a permit must be secured before a shipment is made. The preliminary approval given by Mexican Government officials does not authorize the loading or forwarding of cars to Mexico. The actual shipment cannot be authorized unless and until an official permit has been issued by Mr. H. J. Arnett, Assistant to the Chairman, Car Service Division, Association

of American Railroads, Transportation Building, Washington.

Effective as from November 1, 1944, all permits carry a letter or letters as part of the permit number. Such permits will specify the gateway through which shipments may be routed and the permit letter will so indicate (LD-Laredo; BV-Brownville; EGP-Eagle Pass; ELP-El Paso). Unless the gateway routing is observed, such permits are invalid.

Effective November 15, 1944, all permits issued prior to November 1, 1944, will be null and void. Shippers who have unexpired permits on which they desire to make shipments, must renew their application in the same manner as when the permit was originally requested.

TRADE REGULATIONS AND TARIFF CHANGES

New Zealand

IMPORT LICENSING ALLOCATIONS FOR 1945 ANNOUNCED

The schedule of allocations of import licences into New Zealand for the year 1945 (ninth licensing period) was announced by the New Zealand Minister of Customs in September.

In announcing the schedule the Minister stated that no material changes have been made in the procedure hitherto in operation, but in a considerable number of cases "control" items, that is, those for which applications are considered individually in relation to actual requirements, have been replaced by basic allocations, thereby facilitating the granting of licences.

Certain imports from Canada, the Minister said, will require to be processed for procurement under the Mutual Aid Agreement entered into between New Zealand and Canada. The procedure to be followed will be that the New Zealand Government will give the Canadian Mutual Aid Board requisitions for the goods and materials needed, and the Board will arrange for procurement through a Canadian Government purchasing agency. It is the intention of the Ministry of Supply that the goods shipped to New Zealand be distributed as far as possible through normal trade channels. Goods which it is thought will come within the foregoing arrangement are shown as "M.S." items in the licensing schedule.

Nearly 40 per cent of the items or extracts of items contained in the licensing schedule continue to be items for which no allocation for importation from any country will be made. Other items, except imports being arranged by the New Zealand Ministry of Supply, are largely on the basis of 50 per cent of 1940 importations, and some (about 11 per cent of the items) are granted licences up to 100 per cent of the value imported during 1940.

In view of delays being experienced in having orders filled, eighth-period (1944) licences are being extended until June 30, 1945. This will not, however, apply to eighth-period licences issued in substitution of seventh-period licences or to seventh-period licences extended to the eighth period, these being valid for imports up to December 31, 1944, only. The extension of eighth-period licences is to apply only to firm orders placed overseas prior to November 1, 1944, that is in sufficient time to have enabled the goods, if shipped, to arrive in New Zealand prior to the original date of expiry of the licence, namely, December 31, 1944. Goods not ordered prior to November 1, 1944, which arrive after December 31, 1944, will require to be entered under 1945 licences.

New Zealand's Plastic Industry

New Zealand manufacturers have lately formed a National Institute of Plastics, the first conference of which is to be held before the close of the year, writes the Acting Canadian Trade Commissioner at Auckland. The main objective of the Institute is the promotion of general development of the plastic industry in New Zealand. In pursuit of this aim, full use will be made of overseas and local scientific research, as is already being done. It is intended also to carry on educational work in order to correct the many false impressions held regarding the present and future of plastics.

The form of plastic material used in the manufacture of products in New Zealand to date has been the powder for moulding and the casein sheets for making buttons, etc., imported from Australia. While the industry has been in operation for several years, making a wide variety of small products, nothing yet has been attempted requiring advanced techniques and materials different from those mentioned above.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 13, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 13, 1944, and for the week ending Monday, November 6, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 6	Nominal Quotations in Montreal Week ending Nov. 13	Official Bank Rate
Great Britain Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245 Official Free	.3304 .2766	.3304 .2766	3½ —
Brazil Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	— —
South Africa Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

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Jamaica: **F. W. FRASER**. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

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France

YVES LAMONTAGNE, Economic Adviser, Canadian Embassy, Paris. Address for letters—% Department of Trade and Commerce, Ottawa.

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E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

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R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilison.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Acting Trade Commissioner, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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Acting Deputy Minister:

Oliver Master

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CANADIAN EXPORT COMMODITIES AND INDUSTRIES

11. TIMBER AND LUMBER

I. In Eastern Canada*

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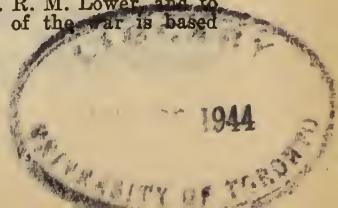
The clearing of forest land was the primary step toward the settlement of eastern Canada by the early pioneers. The material so removed was at first more than sufficient for building purposes, fencing and fuel. Later on, in roads were made into the forests surrounding the farms and settlements to supply the needs of the growing population, and lumbering as a business developed gradually as the settlement extended, the demand increased and the supply receded.

During the French régime, lumbering did little more than supply the

domestic needs of the inhabitants. Nevertheless, toward the end of the period, a fair business in timber had been established in connection with the shipbuilding industry, and the technique of sawing and floating logs had been learned. For instance, in 1752 ten ships of 40 to 100 tons burden each were launched at Quebec, for which the lumber had been floated down the Richelieu and the St. Lawrence.

As early as 1700 New France provided masts and spars for the French navy, but although several attempts were made throughout the period to

*Among the various works consulted in preparing this article, special acknowledgment is due to "The Lumber Trade Between Canada and the United States" by A. R. M. Lower, and to other articles by the same author. The section dealing with the effects of the war is based in part on material prepared by the Dominion Forest Service—L.J.P.



develop a market in France for Canadian timber, the distance proved to be an insuperable obstacle and these efforts came to nothing.

After the formal cession of Canada to England by the treaty of Paris in 1763, the same obstacle made it impossible for the new colony to compete with the Baltic countries from which Great Britain obtained all ordinary types of timber and boards. It was not until the American Revolution suddenly deprived Great Britain of her carefully fostered source of masts, so essential to her navy, that Canada's forest products gained a foothold on the British market.

Earlier Development

The timber industry of New Brunswick dates from 1784, when the British Admiralty turned to the pineries of that province for a reliable supply of masts and spars. About the same time the West Indies began purchasing from the loyal colonies of the north the supplies which they could no longer secure from New England, again as a consequence of the American Revolution. Pine boards and hoops from Nova Scotia and New Brunswick and white oak barrel staves from the Province of Canada were among the first commodities exported to the islands of the Caribbean.

It took another political upheaval to create a real market for Canada's timber. Following the French Revolution and the rise of Napoleon to power, the Baltic was closed by 1808 to British trade. Again Great Britain turned to her North American colonies for the timber she so badly needed.

To induce the British merchants to risk their capital in the development of a new industry so far from home, the British Government offered large timber contracts and the protection of a very high tariff wall against foreign countries. So it was that the British timber firms began sending agents to Quebec, Saint John and a few other ports in the Maritimes to establish branch houses. The agents, or "factors" as they were called, awarded

contracts for cutting or bought whatever timber was offered to them. Often they financed the "lumbermen" who engaged in the business of felling trees and bringing the timber in rafts or cribs to the shipping point.

After the Napoleonic wars were over, the so-called "differential duties" were maintained at a high level for many years, and the Canadian timber trade prospered, even when the preference was gradually reduced from 1842 to 1851 and removed altogether in 1860.

SQUARE TIMBER

At first the British demand was chiefly for "square timber"—long, large, handhewn pieces of the finest white pine. The trade in square timber grew rapidly, but not without many ups and downs. Whenever it was rumored that the duties would be reduced, an intensive production took place, followed by a considerable drop when the new duties became effective. After a few years the industry would adapt itself to the new conditions and rise again to higher levels. The trade in square timber reached its peak about 1865, after the preference on colonial imports had ceased to exist. In that year, exports of square timber from the port of Quebec alone reached approximately 280,000,000 feet board measure.

As the nearby stands were soon depleted, the lumbermen had to go ever farther in their search for suitable trees and the square-timber trade became less and less profitable. It was also a very wasteful trade, much of the best logs being left in the forest in the form of worthless chips and slabs. Before long, lumbermen found it to their advantage to manufacture sawn lumber instead of squaring logs. For the British market they produced "deals", that is, according to English trade usage, planks three or more inches thick.

TRADE IN DEALS

The trade in deals did not grow as fast as the trade in square timber, but beginning in 1835 imports of deals

from British North America into Great Britain exceeded those from the Baltic countries, and retained first place until the differential duties were removed in 1860. Even then Canadian deals competed successfully with the product of the more favourably located North European forests.

The square timber trade began declining rapidly in the 'seventies and by the end of the century it had disappeared. The deal trade also diminished in much the same manner but it did not cease altogether. Before the start of the present war, a few firms disposing of exceptionally fine timber limits were still cutting deals for the British market.

The United States Market

The decline of the trade in square timber and deals with Great Britain was due to other causes besides the depletion of stands of high-quality pine and spruce. For many years there was no other market for Canadian woods. The neighbouring United States had at first sufficient supplies of their own; besides, the ports of both countries were closed to each other's ships after the Revolutionary War. As the sea was practically the only means of transportation available, there could be little or no trade.

RISE OF DEMAND FOR LUMBER

As the American settlers pushed westward in ever-increasing numbers and urban centres developed prodigiously in the New England states, some American forests were cleared for settlement and destroyed and others were used up to supply the insatiable demand of the cities. Then an extensive system of canals was completed in Canada as well as in the United States, which greatly facilitated the exchange of goods. Later came the railroads to open up new regions and new sources of supply and to link these with the large centres where the products found a ready market.

The influence of the mounting American need for lumber was soon felt in

Canada. Canadian lumbermen were prompt to realize the opportunities offered by a large market close to them and not so hard to please as their British customers. Sawn planks and boards of almost any kind were in great demand across the border, and these could be produced and sold more profitably than square timber and deals.

As early as 1827 shipments of pine boards, pine planks, shingles and sawlogs were recorded at the inland port of St. Johns in Lower Canada on their way to New York through the Richelieu River, Lake Champlain and the Champlain Canal and down the Hudson River. With the opening of the Chambly Canal in 1835, the trade through St. Johns increased considerably.

INFLUX OF AMERICAN CAPITAL

It was about this time also that Canadian timber lands and sawmills began attracting American capital. During the period from the crisis of 1837 until the end of the depression of 1847 the movement of American capital was halted, but it was resumed on a larger scale from 1848 onward and reached still greater proportions after the Reciprocity Treaty of 1854 was signed.

This influx of American capital contributed to the development of the lumbering industry in all parts of Eastern Canada, from New Brunswick to Georgian Bay. But the Reciprocity Treaty was not an unmixed blessing; under its stimulation American lumbermen invaded the Canadian forest, stripped it of its best pine and then abandoned their mills and moved on to Michigan, Wisconsin and Minnesota, when these regions were opened up by the building of railroads.

The Reciprocity Treaty came to an end in 1866. Despite the new tariff of 20 per cent, American demand was so great that Canadian lumber shipments increased at a rapid rate for several years. In 1868 exports of wood products from Ontario and Quebec to

the United States exceeded for the first time similar exports to Great Britain.

EXPORT OF LOGS FOR CUTTING

Soon American lumbermen began rafting logs across the Great Lakes to their mills in Michigan. Imposition of an export tax failed to stem the flow of sawlogs from Canada. Sawlogs were on the American free list and there was now a specific duty of two dollars per thousand feet on sawn lumber, which made it much more difficult for Canadian lumbermen to sell their product in the United States.

Partly because of this policy, but also as a consequence of a world-wide economic crisis, from 1874 to 1878 the Canadian lumber industry was greatly depressed. As conditions improved generally, the industry recovered rapidly and despite all tariffs Canadian exports of forest products to the United States grew more or less steadily until, toward the end of the century, they were about equal in value to the exports to Great Britain, which had also increased considerably.

In 1898, the Ontario Government, by prohibiting the export of sawlogs cut on Crown Lands, found a way to stop the ruthless and wasteful exploitation of its forests. Other provinces passed similar legislation, and many American lumbermen had either to close their mills in Michigan or move them to Canada. Ever since, practically all timber cut in Canada has been sawn in this country.

Trends in the Present Century

From the end of the nineteenth century until after the first Great War, a tremendous expansion took place on both sides of the border. In Canada, new settlers from Europe spread all over the Prairie Provinces; extensive mining operations began in Northern Ontario; new railroads facilitated communications. During this period also completion of the Panama Canal opened up the European markets to the fine lumber of British Columbia. All this prosperity had its repercus-

sions on the Canadian lumber industry which now had a fairly important domestic market, while the United States market continued to absorb all that was offered to it and the trade with Great Britain remained fairly steady, although not as important as in former years.

In 1911 the total Canadian production of lumber reached a peak of 4,918,202 thousand feet. However, a good part of this was from British Columbia and the Eastern Canadian industry was already struggling to hold its own, even in the domestic market.¹

DECLINE IN TWENTIES

After the war of 1914-18 the Eastern industry declined rapidly, while that of British Columbia rose until it accounted for more than half of the total Canadian production. Accessible forests in the East had been almost depleted of merchantable timber, and rising costs of exploitation made it impossible to meet the stiff competition of the Baltic countries on British markets. The Hawley-Smoot Tariff of 1930 and the United States Revenue Act of 1932, closed the American market almost completely to Canadian timber, but affected the Eastern Provinces much more than British Columbia.

When the Imperial preference was instituted in 1932 by the Ottawa trade agreements, lumber production had fallen to 1,809,884 thousand feet. Of this quantity, Eastern Canada—the Maritimes, Quebec and Ontario—accounted for only 767,154 thousand feet, which was much lower than in 1851 when the production of the Maritimes and Lower and Upper Canada was approximately 1,300,000 thousand feet.

RECOVERY IN THIRTIES

From 1933 until the start of the second World War in 1939 there was an almost continuous recovery, in which the Eastern Canadian lumber

¹ The lumbering industry of British Columbia is dealt with in a separate article.

industry had its share. In addition to the effect of the Ottawa treaties, new trade agreements with the United States, in effect since the beginning of 1936, have again made this market available to Canadian producers. The extent of this recovery is shown by Table I which gives figures of sawn lumber production by regions for the years 1932 to 1939 inclusive.

Russia were Canada's chief competitors in the British market. On the American market Canadian lumber competed against the domestic product, the opposition coming principally from operators on the West Coast.

EMPLOYMENT

In 1938, the lumber industry as such, that is exclusive of operations in the

TABLE I

Production of Sawn Lumber, by Regions, 1932 to 1939

	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia	Canada
1932	196,351	358,663	212,140	108,357	934,373	1,809,884
1933	206,726	275,210	226,711	115,998	1,133,344	1,957,989
1934	363,681	296,220	317,754	136,124	1,464,632	2,578,411
1935	377,213	453,956	351,085	180,568	1,610,347	2,973,169
1936	337,313	467,670	411,526	171,934	2,023,708	3,412,151
1937	491,295	700,530	539,828	201,273	2,072,675	4,005,601
1938	369,413	724,652	439,397	190,013	2,044,876	3,768,351
1939	368,584	656,374	481,527	194,364	2,276,033	3,976,882

Pre-war Exports

In the years immediately preceding the Great War, about half by volume of the Canadian production of lumber was exported. This in itself represents a large trade, but the lumber industry also produces many other commodities such as shingles, sawn ties, lath, veneer and plywood, spoolwood, box shooks, etc., chiefly for the export markets. The importance of exports to the prosperity of the industry is therefore considerable.

Planks and boards alone ranked sixth among the leading commodities¹ exported from Canada in 1938, the last complete peace year. In that year, 44.1 per cent by value of Canada's exports of lumber and lumber products went to Great Britain, 38.5 per cent to the United States, 6.9 per cent to Australia, 2 per cent to Africa, 1.7 per cent to the West Indies, 1.8 per cent to Continental Europe and 1.4 per cent to China.

Shipments went to some sixty different countries, British Empire countries taking 56 per cent and foreign countries 44 per cent. Finland, Sweden and

woods and of the wood-using industries, provided 31,182 man-years of employment, spent \$25,345,064 in salaries and wages and produced goods valued at \$92,855,906. The greater part of the cost of materials used, valued at \$52,788,246, represented wages and salaries paid to persons engaged in logging operations.

The Lumber Industry During the War

As at the beginning of the previous century, the outbreak of war in 1939 cut off Great Britain from the Baltic countries which normally supplied a large proportion of her lumber requirements. Again Canada was practically the only source of supply available, but this time she was also an active participant in the struggle, and her immense forest resources were not only placed at the disposal of Britain and the other United Nations but were used in the execution of the ambitious industrial program which Canada had set as part of her contribution to the common cause.

PRODUCTION

The part played by the lumber industry in the war effort of Canada has

¹The first five, in order of importance, were newsprint paper, wheat, nickel, copper bars, rods, etc., and meats.

been limited only by its production facilities and the availability of manpower. All producing regions, from the Atlantic to the Pacific, were operated at maximum capacity.

Production of sawn lumber alone rose to 4,629,052 M ft.b.m. in 1940 and to an unprecedented peak of 4,941,084 M ft.b.m. in 1941. Production in 1942 was only slightly lower than in 1941, amounting to 4,935,145 M ft.b.m. For 1943 and 1944 the production has been estimated at 4,640,000 M ft.b.m. and 4,630,000 M ft.b.m., respectively.

SHIPMENTS TO UNITED KINGDOM AND DOMESTIC CONSUMPTION

In the first year of the war, Canada exported 1,616,909 M ft.b.m. of lumber to the United Kingdom alone and consumed about 430 million feet for the construction of naval, military and air force establishments and for new munitions factories. In 1941 the building program was almost as large but only 826,804 M ft. of lumber were shipped to Britain. By that time, however, most of the new factories were in full production and the demand gradually increased for lumber to make boxes, barrels and crates, required for the shipment overseas of munitions, food and other supplies; it has been estimated that about 600 million feet were used for this purpose in 1943. Large volumes of lumber were also needed for use in shipbuilding and aircraft construction and other domestic requirements related to the successful

prosecution of the war, such as essential mines, railway rolling-stock, wartime housing, etc.

EXPORTS TO UNITED STATES

Besides all these demands, it was necessary to maintain exports of lumber to non-sterling countries to provide urgently needed foreign exchange. In 1940 Canada shipped 651,315 M ft. of lumber to the United States, only slightly more than in 1939, but in 1941 shipments to that country almost doubled, amounting to 1,231,588 M ft. After Pearl Harbour there was such a demand from the United States that shipments reached 1,432,128 M ft. in 1942.

By then, the upward trend of Canadian forest production had been checked and in order to provide sufficient supplies for Britain and for Canada's own war needs, it became necessary to make all exports to non-Empire countries subject to permit. Nevertheless, Canada's exports to foreign countries in 1943 amounted to 737,739 M ft. of planks and boards alone, of which 729,201 M ft. went to the United States.

CHANGES IN OTHER MARKETS

Canada has lost during the war her markets in Continental Europe and China but has increased her exports to practically all Empire countries except Australia, to several of the countries of South America, especially to Argentina, Peru and Chile, and to

TABLE II

Employment, Wages and Salaries Paid, and Gross Value of Products, by Regions, 1940-1942

		Eastern Canada	Prairie Provinces	British Columbia	Canada
1940					
Employment	Man-years	21,516	3,264	14,721	39,501
Salaries and wages paid..	\$	13,057,178	1,928,003	19,036,644	34,021,825
Value of products.....	\$	58,563,265	6,544,580	68,797,539	133,905,384
1941					
Employment	Man-years	23,967	4,582	16,555	45,104
Salaries and wages paid..	\$	15,732,394	2,746,302	22,986,737	41,465,433
Value of products.....	\$	70,831,589	10,192,397	82,388,306	163,412,292
1942					
Employment	Man-years	26,275	4,618	16,872	47,765
Salaries and wages paid..	\$	19,998,936	3,198,804	26,364,329	49,562,069
Value of products.....	\$	90,849,182	11,344,523	90,725,372	192,919,077

Iceland. She has actually found several new customers, such as Bolivia, Venezuela, Greenland and the Virgin Islands.

EMPLOYMENT AND VALUE OF PRODUCTS

The lumber industry in Eastern Canada played an important part in all this tremendous activity. In 1942, for instance, it employed 55 per cent of the workers engaged in the industry as a whole and accounted for 47 per cent of the total value of production. Table II illustrates the growth and the importance of the lumber industry during the first three years of the war.

Post-War Position

At the cessation of hostilities the lumber industry will be in an excellent position to maintain the present high level of production, or even to increase it. The supply of manpower will no longer constitute a problem and the Canadian forests can provide the raw material for large-scale production for many years to come, if wise policies are adopted to reduce wastage through fires, insects and tree diseases, and to encourage good forest management in general.

FOREST RESOURCES OF EASTERN CANADA

According to estimates prepared by the Dominion Forest Service, Eastern Canada alone has total resources of 168,752 million cubic feet of accessible standing timber. This total comprises 94,918 million feet board measure of softwood and 31,271 million feet board measure of hardwood of sufficient size for use as saw material.

II. In British Columbia*

In 1786 James Strange, of the East India Company, wrote from Nootka, on Vancouver Island: "There is no doubt that the timber with which this coast is covered (and which in its size and fine grain is nowhere to be ex-

DOMESTIC DEMAND

The domestic demand for lumber after the war will undoubtedly be very great: house building, property improvement and commercial construction, and the production of civilian goods, such as furniture, which has been curtailed for several years, will be resumed on a large scale.

EXPORT PROSPECTS

The export markets would appear to offer even greater opportunities for Canadian lumbermen. Britain and practically the whole of Europe will have to be rebuilt. In some countries reconstruction will take years and involve tremendous quantities of building materials. Few of the war-ravaged countries will be able to meet their own needs. Even Finland and Russia may be unable to resume exporting on a large scale for some years because of their domestic requirements. Sweden alone will be able to respond to the huge demand for lumber. For the early post-war years and possibly longer the Canadian lumber industry should have in Europe a potential market for a large part of its production. Actual sales, of course, will be dependent upon the means of purchase available or financial arrangements.

If Canada at the same time continues her normal trade with the United States and other established customers, the lumber industry in Canada should enjoy several years of unprecedented prosperity, in which Quebec, Ontario and the Maritime Provinces will have their share.

celled) would compose a valuable addition to our trading, as this article carries a very advanced price in China and is always in demand there, especially such as is fit for masts and spars".

James Strange's wish was soon to be realized, for in 1788 Captain John Meares sailed for China on a ship built at Nootka and loaded there with furs and spars. Captain James Cook,

* For the historical part of this article, special acknowledgment is due to "Forests Industries of British Columbia", by W. A. Carrothers.—L.J.P.

the great navigator, had discovered Nootka Sound only ten years before, and he and the explorers who followed him had already taken advantage of the wonderful trees of the new country to refit their vessels.

Beginnings and Early Growth

After the explorers came the fur traders. Construction of a saw-pit always preceded the building of a new trading post. The saw-pit at Fort St. James, established in 1806 by the Hudson's Bay Company, was probably the first one operated in what is now British Columbia. The first sawmill in the Northwest was erected in 1827-1828 by Dr. John McLoughlin at Fort Vancouver, another of the Company's posts, on the northern shore of the Columbia River in Old Oregon, which was then considered British territory. Capable of sawing 2,000 board feet per day, this mill produced more lumber than was needed locally and it is recorded that a first cargo of deals was shipped to Hawaii in 1829 and another to the China market in 1832.

FIRST MILLS ON VANCOUVER ISLAND

After the settlement of the Oregon boundary dispute in 1846, the Hudson's Bay Company moved its headquarters to Victoria and soon new and larger mills were erected nearby at Parson's Bridge and at Albert Head, both being unsuccessful for various reasons. Captain Stamp's famous mill at Port Alberni, on the west coast of Vancouver Island, began its operations in 1861. It had a capacity of 18,000 feet of planks daily and in the first five years produced approximately 35 million feet of lumber, practically all for the export trade.

EARLY MILLS ON THE MAINLAND

Development on the mainland took place at almost the same time. The discovery of gold on the lower Fraser River attracted thousands of prospectors from California. Although most of them left the country almost

immediately, a sufficient number remained as settlers, and the lumber they needed was soon provided by new mills at Fort Yale (1858), Fort Langley (1859), New Westminster (1860) and elsewhere. In 1863 the first sawmill on the north shore of Burrard Inlet, where North Vancouver is now located, came into operation, to be followed by another on the south shore in 1865, the latter built by Captain Stamp of Port Alberni fame.

In 1871, the colonies of Vancouver Island and British Columbia entered Confederation. Official records for that year show that lumber export was valued at \$182,490, and went chiefly to South America, China and Australia.

Period of Expansion

There was, however, little expansion of the lumbering industry in British Columbia before 1880. Construction of the transcontinental railway began in that year and absorbed huge quantities of lumber for ties, camps, etc. By the time the railway was completed, the prairie country was being settled rapidly and a new market for British Columbia lumber was available.

DOMESTIC MARKET PREDOMINANT UNTIL 1910

The demand from this market was so great that little was left for export. For the period 1910-1914 less than 5 per cent of the total production was sold abroad, while close to 70 per cent was shipped to the Prairie Provinces and about 25 per cent was used in British Columbia.

The growth of the lumber industry in British Columbia from 1848 to 1910 is shown by estimates prepared by the Forest Branch of the British Columbia Department of Lands. The amount of lumber cut is shown as follows:—

	Million Ft. B.M.
1848-1870	250
1871-1880	350
1881-1890	550
1891-1900	1,327
1901-1910	4,754

The industry reached its peak in 1910, in which year production of lumber alone amounted to 1,619,904 M ft. and was valued at \$24,823,441. As immigration to the Prairie Provinces began to decrease shortly afterwards, the British Columbia mills had to look for other markets, but because of lack of shipping space resulting from the first World War, the mills were unable to fill the orders they had obtained. In 1915 lumber production in British Columbia fell to about one-half of its pre-war level.

MARKETS OPENED BY PANAMA CANAL

After the war of 1914-18, there was an immediate improvement. Ocean tonnage was now plentiful and British Columbia shippers could take advantage of the Panama Canal to sell their lumber on the Atlantic Coast and in Europe. It found a ready market in the New England states and even worked its way to Quebec and Ontario, thereby seriously affecting the lumber industry of Eastern Canada.

Production and Exports, 1926-39

The lumber industry in British Columbia rose rapidly until in 1926 it accounted for more than half of the total Canadian production, a position

per cent to the United States, 10.2 per cent to other foreign countries and 7.4 per cent to Empire countries.

In 1932, however, following the world-wide depression and the adoption of the Smoot-Hawley tariff in the United States, production fell to only 934,373 M ft.b.m. in British Columbia and to 1,809,884 M ft.b.m. in all Canada. There had already taken place a considerable shift in markets. Domestic shipments now represented only 49.3 per cent and United States shipments 11.5 per cent, while other foreign countries accounted for 12.1 per cent and Empire countries absorbed 27.1 per cent.

The Ottawa Conference in 1932 gave a fresh impetus to lumber production in British Columbia as well as in Canada as a whole. From 1933 until the start of the second World War there was an almost continuous recovery. As a result of the trade agreements with the United States, this market has been open to British Columbia lumber since 1936.

Table III shows the production of the principal kinds of British Columbia lumber for the years 1932 to 1939.

As all Canadian exports of Douglas fir lumber and practically all hemlock and cedar exports originate in British Columbia, it is interesting to note the

TABLE III

Production of Principal Kinds of British Columbia Lumber, 1932-39

	Douglas Fir M Ft. B.M.	Hemlock M Ft. B.M.	Cedar M Ft. B.M.	Spruce M Ft. B.M.	All species M Ft. B.M.
1932	641,777	121,600	53,830	69,412	934,373
1933	818,222	127,723	43,200	85,274	1,133,344
1934	1,032,218	204,014	61,688	95,319	1,464,632
1935	1,114,264	229,953	97,611	93,402	1,610,347
1936	1,421,432	296,818	109,798	110,117	2,023,708
1937	1,405,709	310,328	130,197	134,560	2,072,675
1938	1,399,263	303,128	139,182	161,088	2,044,876
1939	1,593,400	310,998	165,573	112,583	2,276,033

it has consistently maintained ever since. It recorded its highest point in 1929 with 2,460,500 M ft.b.m. out of a total 4,741,941 M ft.b.m. for all Canada. In that year 54.9 per cent of British Columbia's shipments of lumber went to domestic markets, 27.5

distribution of these exports for the year 1939, which are shown in Table IV. Red cedar shingles exports are also included in the table, since they form an important part of the production of the British Columbia lumber industry.

TABLE IV

*Canadian Exports of Douglas Fir, Hemlock and Cedar Lumber, and
Red Cedar Shingles in 1939*

	Planks and Boards			Red Cedar Shingles Squares
	Douglas Fir M Ft. B.M.	Hemlock M Ft. B.M.	Cedar M Ft. B.M.	
Total	924,686	233,412	83,977	2,822,757
Great Britain	670,871	106,435	37,026	58,695
Other Empire countries .	90,437	82,641	6,053	32,023
United States	101,843	43,610	40,553	2,731,851
Other foreign countries..	61,535	726	345	188

Lumbering Methods

In British Columbia the enormous size of the trees and the rugged character of the country give rise to logging and sawing methods entirely different from those in use in Eastern Canada.

Logs may sometimes measure as much as 40 feet in length and 66 inches in diameter at the top and weigh more than 20 tons. The average log in booms of better-grade fir often runs to 32 feet by 45 inches and weighs close to 11 tons.

There are few drivable streams in British Columbia. At first the forests extended to the water's edge and trees were felled close to the shore and were rolled into the ocean by means of jackscrews and wedges. Later, as cutting took place farther inland, oxen, horses and mules were used to haul the logs along "skidroads" to tidewater. The distance to tidewater soon increased and with it the cost of animal traction. This brought about the introduction of small railroads to transport the logs to the log-dumps at the water's edge; oxen and horses were still used to bring the logs to rollways by the side of railroads.

The steam donkey came into general use in the 'nineties. It was then used to haul the logs on the ground by means of long cables wrapped several times around a spool connected to the engine. By 1915, the "ground lead" had been replaced by the "high lead". According to this very spectacular method, large steel blocks or pulleys are attached to trees, 150 to 200 feet above the ground, and cables from the donkey engine are passed through the

pulley and attached to the logs, which are dragged in, one end clear off the ground, or, if a "sky line" is used, dangling in mid-air.

Nowadays, powerful tractors and trucks are used extensively and permit greater flexibility, but donkey engines and logging railroads still play an important part in the operations on the Coast.

After reaching tidewater the logs are assembled in booms and rafts and are towed to the sawmills. There also the size of the logs necessitates the use of special equipment. Carriages and log-deck machinery must be of exceptional size, ruggedness and power to handle the huge logs. Often the smaller logs are sorted and sawn with smaller equipment in separate plants. Bandsaws are now in general use, but for many years enormous circular saws were preferred.

Because the use of such special equipment involves great capital investments and operating costs, the lumber industry in British Columbia is concentrated in large production units. A tabulation of sawmills of that province, classified according to gross value of products, shows that 25 mills having a production of \$1,000,000 and over accounted for 60·7 per cent of the total in 1942, 14 mills in the \$500,000 to \$1,000,000 class produced 11·5 per cent, 46 mills in the \$200,000 to \$500,000 class 15·2 per cent, and 341 mills producing less than \$200,000 the remainder or only 12·6 per cent.

Most of the smaller mills are located in the interior of the province, where the trees are smaller and operating conditions closely resemble those of East-

ern Canada. The operations on the Coast, not being dependent on frost, snow or freshet, are carried on in most cases throughout the entire year.

Wartime Production

The part played by the lumber industry of British Columbia in Canada's war effort has been considerable. It has accounted for 50.2 per cent of all sawn lumber produced in Canada in 1940 and for 48.7 per cent and 46.7 per cent respectively in 1941 and 1942. It has also produced large volumes of box shooks for crating purposes, veneer and plywood for airplane production, ties for railroads, shingles and other products for essential war uses.

Since the abnormal demand for shipping space and the high rate of losses of tonnage in the Atlantic combined to make it impossible for vessels to spend the time needed for the long voyage through the Panama Canal, large quantities of British Columbia lumber were shipped to the United Kingdom, South Africa, the West Indies and other destinations through Eastern Canadian ports. The two great railway systems handled trans-continental shipments of as much as 80 million feet of lumber in a single month.

Exports of Douglas fir to the United States quadrupled in volume and ship-

ments of cedar and hemlock about doubled from 1939 to 1941. Although the controls imposed in 1942 checked the flow of Canadian lumber to that country, shipments of British Columbia lumber remained at fairly high levels.

Table V shows the production in British Columbia of Douglas fir, hemlock, cedar and spruce lumber for the years 1940, 1941 and 1942.

Canadian exports of planks and boards in 1940 comprised 948,830 M ft.b.m. of Douglas fir, 167,237 M ft. of hemlock and 85,647 M ft. of cedar, practically all from British Columbia. In 1941 exports of these same items were 953,933 M ft., 202,379 M ft. and 84,115 M ft., respectively. In 1942 they amounted to 741,303 M ft., 160,829 M ft. and 76,272 M ft., and in 1943 to 561,141 M ft., 201,569 M ft. and 59,304 M ft., respectively.

The distribution of these exports during the four-year period is shown in Table VI.

Post-war Prospects

When hostilities cease, the lumber industry in British Columbia will no longer be handicapped as at present by the shortage of manpower and by transportation problems.

The supply of accessible saw material in British Columbia has been estimated at 109,738 million feet board measure

TABLE V

Production of Douglas Fir, Hemlock, Cedar, and Spruce Lumber, 1940 to 1942

	1940	1941	1942
	Thousands of Feet Board Measure		
Douglas fir	1,690,451	1,523,194	1,532,618
Hemlock	224,624	226,287	304,202
Cedar	174,072	203,593	180,735
Spruce	148,753	351,117	198,599
All species	2,324,408	2,407,800	2,303,552

TABLE VI

Distribution of Lumber Exports, 1940 to 1943

	1940	1941	1942	1943
	Per Cent	Per Cent	Per Cent	Per Cent
United Kingdom	68.3	39.7	35.2	69.2
Other Empire countries	13.1	12.0	3.8	7.5
United States	15.1	45.0	59.1	21.4
Other foreign countries	3.5	3.3	1.9	1.9

of softwood. Under good forest management the industry can therefore operate on a large scale for many years to come. True, the stands of Douglas fir have been depleted to a certain extent and the production of this species may be expected to decline gradually, but the use of hemlock and cedar is likely to develop both at home and abroad.

British Columbia can reasonably expect to ship large quantities of lumber for the reconstruction of war-torn Europe. Its product is favourably

known in Great Britain and a large portion of that country's imports for its extensive building program will undoubtedly come from British Columbia's forests.

Australia, South Africa, and China should also offer fair markets for British Columbia lumber. If the usual trade with the United States is also maintained and new markets are developed in South America and elsewhere, the outlook for the lumber industry in British Columbia will be promising.

ORGANIZATION OF BRITISH INDUSTRY

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

A survey of trade association activities in the United Kingdom was published in *Commercial Intelligence Journal* No. 2112 (July 22, 1944), page 61. In a recently published report on the subject of the organization of British industry, the Federation of British Industries advocates the use of representative trade associations as the coordinators and agents of national industrial policy.

The Federation points out that in the years following the termination of hostilities there will be a call for maximum efficiency in the operation of United Kingdom industry in both home and export activities, and for close co-operation between industry and the Government. The Federation takes the view that satisfactory co-operation with the Government will be impossible unless industry is adequately organized through trade associations, but it is important that associations be encouraged to place in the forefront of their objectives not only service to their members and to consumers of their products but also to the nation at large.

Consultation with the Government

The report states that associations are needed which will not only be able to report the views of, and formulate general production and commercial policies for, the sections of industry

which they cover, in consultation with government departments and other authorities, but which will also take the lead in improving and adjusting the organization, both technical and commercial, of the sections concerned to meet the circumstances of the post-war world. To enable associations to be effective for this purpose, the Federation thinks it essential that they should be the bodies to be taken into consultation by the Government.

The structure of industry in this country is extremely complex, comprising tens of thousands of small firms spread over a large variety of industries. It would be difficult for the Government to deal individually with these thousands of firms having their many diverse and overlapping problems. In these circumstances the report suggests that the Government should confine itself to producing a framework of major economic policy, leaving the details to be filled in by working associations provided by the industries themselves. Unless industry itself takes steps, where it has not already done so, to provide suitable organization, the Government will find itself compelled by pressure of circumstances to devise methods of its own.

Under peacetime conditions it is, as a rule, impracticable to separate home and export production without detriment to efficiency. For this reason the

Federation believes that trade associations and export groups in the different industries should be merged and other adjustments made, so that there will be only one body representative of the interests of any one section of the industry for both purposes.

Functions of Trade Associations

Following are some of the more important of the functions of the type of associations envisaged:—

1. To act as the official channel of communication between the industry and the Government on any matter of commercial or economic policy affecting the industry.

2. To enable an industry to act as a unit, whether in co-operation with other industries and other interests or in dealing with subjects which concern their section of industry as a whole.

3. To assist in solving the problems that arise when production and consumption get out of step or are subject to dislocations caused by trade-cycle fluctuations.

4. To maintain fair conditions of trading and to regulate trade practices within the industry.

5. To enable the industry in this country to negotiate on equal terms with its opposite numbers in other countries.

6. To collect statistics and promote the interchange of information between members.

7. To establish efficient and uniform methods of costing throughout the industry.

8. To promote the development of export trade.

9. To conduct sales propaganda and publicity.

10. To encourage individual and promote co-operative research work, including keeping its members informed of new developments and discoveries in the field of scientific and technical research likely to help them in formulating long-range plans of development.

11. To promote the technical and general knowledge of those engaged in the industry.

12. To assist in the improvement of service to the customer and of quality, design and methods of production, and to promote where suitable the standardization of products and parts of products.

Another recommendation contained in the report is that separate associations should be encouraged to federate for certain purposes.

Public Control

On the controversial question of the public control of activities of trade associations, the authors of the report admit that immediate post-war governments are likely to desire to maintain a closer supervision than in the past of arrangements and understandings, both national and international, which involve temporarily controlling output, markets, and prices. In this connection the establishment is advocated of a national tribunal to which bodies or persons substantially interested could appeal and which would report its findings to the Board of Trade.

Finally, it is not thought as a general principle that membership of an association should be compulsory or that associations should have statutory powers of compulsion.

Australian Wheat and Flour Situation

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, has cabled regarding the wheat and flour situation at mid-November as follows:—

Australian wheat stocks at the end of October totalled 89 million bushels. The crop estimate is still 50 million bushels. The only exports being made are against old contracts for British Ministry of Food and there will not be any other export business until the harvest of 1945-46 becomes available.

Flour mills in New South Wales and Victoria are gradually reducing operations. Consumption of wheat for stock food continues at the same high level as last month.

CANADA'S DOMESTIC EXPORTS IN OCTOBER

Canada's exports of domestic merchandise in October were valued at \$313,962,000 as compared with \$259,808,000 in October, 1943, an increase of 20·8 per cent. For the first ten months of the current year the total value was \$2,860,583,000 as against \$2,378,992,000 for the similar period of 1943, an advance of 20·2 per cent.

Commodity exports to the United Kingdom in October were valued at \$112,639,000 as compared with \$73,360,000 in October of last year, the aggregate for the first ten months of this year standing at \$1,054,934,000 as against \$837,193,000 for the comparable period of 1943. October exports to the United States were valued at \$123,050,000 as compared with \$112,807,000 in October, 1943, expanding the ten-month total to \$1,056,040,000 from last year's corresponding figure of \$910,663,000.

Exports to principal countries in October were as follows, totals for October, 1943, being shown within parentheses: British India, \$20,064,000 (\$12,087,000); Russia, \$8,276,000 (\$7,426,000); Italy, \$9,158,000 (\$34,000); France, \$7,756,000 (nil); Newfoundland, \$5,369,000 (\$5,455,000); French Possessions, \$4,255,000 (\$9,846,000); Australia, \$4,199,000 (\$4,045,000); British South Africa, \$1,821,000 (\$2,113,000); Jamaica, \$1,001,000

(\$1,289,000); Trinidad and Tobago, \$1,440,000 (\$985,000); New Zealand, \$1,901,000 (\$38,000); Egypt, \$2,399,000 (\$17,296,000); Switzerland, \$1,702,000 (\$983,000).

The following were among the leading commodities exported in October, values for October of last year being shown within parentheses: fruits, \$2,082,000 (\$621,000); vegetables \$1,744,000 (\$898,000); barley, \$9,399,000 (\$4,508,000); wheat, \$36,754,000 (\$22,629,000); wheat flour, \$7,162,000 (\$4,612,000); alcoholic beverages, \$2,250,000 (\$1,887,000); fishery products, \$4,892,000 (\$5,077,000); meats, \$7,221,000 (\$8,599,000); cheese, \$4,290,000 (\$3,571,000); eggs, \$2,638,000 (\$364,000); cotton, \$2,601,000 (\$1,077,000); wool, \$2,757,000 (\$579,000); planks and boards, \$10,516,000 (\$6,693,000); pulpwood, \$2,875,000 (\$2,924,000); woodpulp, \$11,294,000 (\$7,806,000); newsprint paper, \$14,255,000 (\$13,267,000); petroleum, \$2,110,000 (\$1,077,000); chemicals, \$9,535,000 (\$9,662,000); motor vehicles and parts, \$40,035,000 (\$50,718,000).

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of October and the ten months ending October, 1944 and 1943:

Exports by Principal Countries

	Month of October		Ten Months ended October	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	313,962	259,808	2,860,583	2,378,992
Empire countries	151,592	104,277	1,366,769	1,130,671
British East Africa	497	596	5,034	14,997
British South Africa	1,821	2,113	19,860	27,534
Southern Rhodesia	128	88	1,028	947
British West Africa	230	445	2,257	6,584
Bermuda	183	285	2,139	1,547
British India	20,064	12,087	133,558	105,151
Ceylon	384	2,019	4,066	6,457
British Guiana	92	379	4,673	4,793
Barbados	358	134	3,242	2,531
Jamaica	1,001	1,289	11,943	7,877
Trinidad and Tobago	1,440	985	14,232	10,948
British West Indies, other	418	340	4,798	3,477
Newfoundland	5,369	5,455	39,361	34,888
Australia	4,199	4,045	39,708	36,416
Fiji	111	1	419	282

	Month of October		Ten Months ended	
	1944	1943	1944	October 1943
	Thousands of Dollars			
Empire countries— <i>Con.</i>				
New Zealand	1,901	38	11,147	24,333
Palestine	260	26	1,638	673
Eire	432	538	9,674	3,505
United Kingdom	112,639	73,360	1,054,934	837,193
Foreign countries	162,370	155,531	1,493,814	1,248,321
United States	123,050	112,807	1,056,040	910,663
Argentina	211	427	3,001	3,186
Bolivia	21	9	170	159
Brazil	836	316	5,752	4,065
Chile	296	108	1,381	922
China	7	....	14,891	....
Colombia	290	87	1,812	1,112
Costa Rica	32	8	295	132
Cuba	647	218	3,045	1,779
Ecuador	47	18	248	180
Egypt	2,399	17,296	97,934	155,221
France	7,756	....	10,303	....
French Possessions	4,255	9,846	26,585	60,364
Greece	810	1,182	7,763	5,024
Guatemala	46	9	310	175
Hayti	52	21	390	192
Honduras	15	19	78	104
Iceland	36	167	2,222	1,752
Iraq	103	967	5,443	19,846
Italy	9,158	34	135,427	34
Mexico	771	345	5,074	4,543
Netherlands West Indies	43	51	269	411
Nicaragua	54	12	222	195
Panama	120	43	570	657
Paraguay	....	....	30	15
Persia	106	134	866	410
Peru	120	78	1,119	652
Portugal	26	58	530	722
Portuguese Africa	28	9	316	51
Russia	8,276	7,426	82,129	46,330
Salvador	27	12	209	130
San Domingo	25	13	336	108
Spain	....	....	88	115
Switzerland	1,702	983	13,676	9,223
Turkey	44	1,262	6,747	13,051
Hawaii	236	347	1,811	2,418
Puerto Rico	183	132	1,672	966
Uruguay	110	73	1,066	726
Venezuela	290	64	1,445	593

Exports by Principal Commodities

	Month of October		Ten Months ended	
	1944	1943	1944	October 1943
	Thousands of Dollars			
Total domestic exports	313,962	259,808	2,860,583	2,378,992
Agricultural products	74,544	49,399	605,913	353,659
Fruits	2,082	621	6,177	5,033
Vegetables	1,744	898	10,178	5,981
Grains	53,187	32,771	412,800	226,849
Barley	9,390	4,508	32,898	28,809
Wheat	36,754	22,629	319,923	158,401
Wheat flour	7,162	4,612	75,397	55,182
Alcoholic beverages	2,250	1,887	16,280	12,676
Seeds	1,781	4,212	20,737	15,016
Animal products	23,678	22,054	312,632	233,971
Cattle (except for stock)	468	366	4,685	4,809
Fishery products	4,892	5,077	52,019	45,447
Furs (chiefly raw)	1,286	434	22,154	19,674
Hides, raw	35	23	503	496
Leather, unmanufactured	233	266	2,448	3,006
Leather, manufactured	230	263	3,009	1,896
Meats	7,221	8,599	165,366	106,865
Butter	136	1,887	1,610	2,312
Cheese	4,290	3,571	21,025	20,827
Eggs	2,638	364	17,802	14,219

Exports by Principal Commodities—Con.

	Month of October		Ten Months ended	
	1944	1943	1944	October 1943
	Thousands of Dollars			
Fibres and textiles	7,431	2,479	44,611	20,507
Cotton	2,601	1,077	7,109	5,938
Flax	200	84	2,105	2,139
Wool	2,757	579	18,363	3,483
Artificial silk	659	317	5,353	3,433
Wood and paper	45,890	34,748	363,053	316,211
Planks and boards	10,516	6,693	71,518	58,446
Timber, square	187	20	653	431
Shingles, red cedar	639	431	5,788	5,088
Pulpwood	2,875	2,924	17,048	15,452
Wood-pulp	11,294	7,806	85,274	83,074
Paper, newsprint	14,255	13,267	130,996	117,234
Iron and products	65,344	67,978	657,870	550,672
Pigs, ingots, etc.	1,631	2,302	14,192	20,322
Rolling-mill products	1,244	399	8,084	2,841
Tubes and pipes	238	26	2,059	318
Farm implements	1,228	562	11,398	8,988
Hardware and cutlery	330	280	2,950	2,732
Machinery, other than farm	2,322	556	19,754	8,192
Motor vehicles and parts	40,035	50,718	368,351	389,113
Non-ferrous metals (excluding gold)	34,427	30,866	275,343	280,064
Non-metallic minerals	6,170	5,688	49,847	51,173
Coal	392	628	5,092	4,502
Petroleum	2,110	1,077	7,844	5,528
Stone	1,212	1,707	14,372	15,560
Chemicals	9,535	9,662	82,771	70,546
Acids	196	184	1,862	2,344
Fertilizers	2,271	1,761	20,338	14,251
Soda compounds	553	515	3,193	3,665
*Miscellaneous	46,944	36,934	468,544	502,189
Electric energy	731	625	6,686	6,480
Films	170	60	1,335	657

* Includes certain military stores.

FISH MEAL AND OIL IN SOUTH AFRICA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

The following notes on fish oils and meal in South Africa is supplementary to a report on these products that was published in *Commercial Intelligence Journal* No. 1967 (October 11, 1941), and another on the production of fish liver oils, published in No. 2040 (March 6, 1943). The Act establishing the Fisheries Development Corporation and the publication of a nutrition report have had the effect of increasing interest in South Africa in the fishing industry.

Fish Oils

There has been further development of South African production of fish liver and visceral oils bearing Vitamins A and D, for which the demand is increasing yearly. Scientific research has been extended. The Vitamin A and D resources of the South African fishing industry have been the subject

of investigation at the University of Cape Town during the past six years and the industry developed as a result produced oils valued at approximately £180,000 in 1943. The production of these two vitamins is already in excess of present domestic needs, and supplies that have been exported are estimated to account for upwards of 10 per cent of the Vitamin A requirements of the United Nations. It is stated that South African output is equivalent to the production of more than one million gallons of cod liver oil, and it is still rising as more sources are exploited.

Fish Meal

South Africa lacks protein for animal as well as human nutrition, and fish meal, rich in protein and essential mineral oils, is in increasing demand as an animal feedstuff. Production of fish

meal in South Africa is still small, and the several factories operating on fish and crayfish waste in the Union and South West Africa are estimated to be producing only about 2,500 tons a year. This is far below domestic needs, and a considerable tonnage of fish meal is imported, mainly from Angola (Portuguese West Africa).

Future Prospects

There is no established sardine fishing nor any large scale canning of oil

species of fish, and consequently the development of oil and meal production from these sources, paralleling developments in other countries, has not been undertaken. However, sardines are reported in large quantities off the coast of South Africa, and the mass-banker, an oily fish, is caught in large quantities, particularly on the West Coast. Production of meal and oil from these fish may be expected at some future date, possibly when present sources are exhausted.

WHEAT PRODUCTION IN SOUTHERN RHODESIA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Wheat is the most important of the winter-grown crops of Southern Rhodesia. Owing to its susceptibility to rust, attempts to raise this crop during the months of summer rainfall have not met with success. The main production areas are, therefore, those districts in which natural or artificially created conditions permit the raising of crops by dry-farming methods during the rainless winter months, such conditions being found on moisture-retaining vleis or land which is too swampy to be worked in the summer. Secondly, wheat is grown where irrigated land can be spared for the crop, but the acreage in this case is much less because of the comparatively small number of irrigation schemes in existence. A much higher yield per acre is obtained from irrigated land, since the water supply can be regulated to suit the crop, whereas the output from dry-farming land is restricted by lack of soil moisture and by early frosts in some seasons, while poor preparation of the soil also has a detrimental effect on the crop.

1943 Wheat Crop

The 1943 winter crop amounted to 56,651 bags, or approximately 189,000

bushels. This is the second largest crop in the past twenty years, and was exceeded only by that of 1936. It was derived from an area of 19,281 acres and represents a yield of about 9.6 bushels per acre. There were 464 growers, of whom nine cultivated areas of over 100 acres.

1944 Crop Estimate

For the 1944 season the number of growers is estimated to be only 382 and the total area under wheat, at 18,278 acres, is a decrease of 1,003 acres as compared with 1943. The reduction is attributed to the fact that some farmers grow wheat only when conditions are favourable, and the early cessation of the rains in some areas had an adverse influence. Despite unfavourable moisture conditions, growers are inclined to anticipate increased yields, but such yields can only be obtained if conditions remain favourable. Subject to these qualifications, it is officially estimated that the total crop may be about 6,000 bags more than in 1943, amounting to approximately 62,000 bags, or about 217,000 bushels.

COCOA CONTROL IN WEST AFRICA

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

Early in the war the United Kingdom Government, guaranteed the purchase of the total cocoa production of the British West African colonies and, in fulfilling this guarantee, they have undertaken, on the one hand, to bear any eventual loss on re-sale and, on the other hand, to recommend that any eventual profit realized should be distributed either direct to the producers or (in agreement with the colonial governments concerned) for expenditure on objects of benefit to the producers.

The Secretary of State for the Colonies has recently published a report on Cocoa Control in West Africa during the war, which gives an account of the results of this policy up to the end of the 1942-43 season.

Proposals as to Future Policy

As West Africa is Canada's chief source of supply of cocoa, Canadian importers and users will be interested in the proposals of the Colonial Office as regards post-war organization for purchase and export.

It is stated that it would not be in the interests of either producers or consumers to revert after the war to pre-war market conditions, with excessive price fluctuation and other undesirable features. Wartime experience has added weight to the view that a prime need of the cocoa industry, if it is to attain prosperity and efficiency, is a reasonably stable price basis, by which is meant not necessarily prices fixed over a period of several years but the avoidance of short-term fluctuation. To achieve this result it is necessary to break the direct link between the producers' prices and world market prices, the existence of which in the past has caused the local purchase prices to reflect every vagary of speculation on the world's produce market.

Present System to be Continued

Careful consideration of this problem has led the United Kingdom authorities to the conclusion that the means best

adapted to this end would be the continuance of the present system whereby all cocoa would be bought at a uniform price, fixed at least seasonally, and sold on world markets by special organizations created for that purpose, which would operate as regards both purchase and disposal either direct or through such agents as it might seem expedient to employ.

It is therefore proposed that there should be established in the Gold Coast and Nigeria as from the beginning of the 1945-46 cocoa season (i.e. in October, 1945) organizations empowered by law to purchase the total production of cocoa, to fix the prices to be paid to the producers, and to be responsible for the disposal of the cocoa. These organizations would be established by and be responsible to the Colonial Governments and would be required to act as trustees for the producers.

The Colonial Office emphasizes four important considerations. In the first place the foregoing proposals do not in any way represent a departure from the policy of fostering and of developing the co-operative movement among West African producers. The development of this movement remains a cardinal object of government policy, and indeed it is felt that the growth of the movement may be greatly strengthened and accelerated through the operation of the scheme that is now proposed.

Secondly, the constitution and composition of the proposed local organizations are not to be regarded as final or permanent. Quite apart from such variations in the proposals set out above as may, on further consideration, seem appropriate before the scheme is brought into being in 1945, the organizations may be expected to change and to develop with experience both in the direction of increased and more direct representation of the producers themselves and in the light of the development of general international commodity policy.

Thirdly, the scheme, while designed to meet the special circumstances of the West African cocoa industry, can be fitted in without difficulty as a part of any wider international scheme which may later be established. Should it be deemed desirable to institute some international organization for dealing with the problems of world production and marketing of cocoa, the United Kingdom Government would be willing to participate in such an organization, and it is considered that its operation would not be incompatible with the existence of producers' marketing agencies such as those now proposed.

Finally, the proposals involve no change whatever in the arrangements whereby the entire British West African output of cocoa is now available for allocation by the Combined Food Board in Washington, and the decisions of that body will continue to be put into effect as hitherto.

In order that the local organizations may be in a position to maintain a steady purchase price policy, whatever short-term fluctuations may occur on world markets, it will be necessary for them to command adequate financial

resources. It is proposed, in order to furnish them with the necessary funds, to place at their disposal a substantial proportion of the profits already realized on the West African Produce Control Board's Cocoa account over the period 1939-43. The net excess of receipts over expenditure on this account over the period in question is £3,676,253, and the operations for the season 1943-44 are likely to result in a substantial addition to this profit.

Research

Second only to the necessity for improving market arrangements in West Africa is the need, particularly in the Gold Coast, for adequate provision for research. The report states that there is a pressing demand for immediate work on two diseases that appear to be threatening the productivity of wide areas, and also that much more extensive provision is required for long-term research. A cocoa research organization has now been set up, and substantial capital and recurrent expenditure will be involved. It is proposed that a sum of £1,250,000 shall be allocated for this purpose.

POST-WAR TRADE IN BARBADOS

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

In a report on economic conditions in Barbados, published in *Commercial Intelligence Journal* No. 2121 (September 23, 1944), page 280, it was stated that Barbados was entering the post-war period in a sound financial condition, due to satisfactory returns from sugar production during the war years and because prices have been assured by the British Government up to 1946. This view is strengthened by the latest crop reports, which estimate a high sugar production for 1944-45 of 150,000 tons as compared with 104,501 tons in 1943-44.

With the Colony in a good position to purchase its requirements in the early post-war period, a brief examination of the level of present stocks, as an indication of post-war demands, may be of interest.

FOODSTUFF SUPPLIES LIMITED

Ever since the introduction in 1941 of regulations prohibiting the importation of non-essential goods, grocery shelves have been cleared of sweetened biscuits, confectionery, dried fruits, canned vegetables, condiments, and packaged cereals. Other foodstuffs have been limited to quotas based on the pre-war years 1936, 1937, and 1938, which do not take account of either increasing population or higher purchasing power, with the result that other products besides non-essentials are in short supply, such as beer and dairy products.

It is certain that, when restrictions are relaxed and supplies become available, there will be a strong initial demand for a wide variety of foodstuffs. Only in basic essential foodstuffs, such

as pickled pork, flour, and fish, has the supply been ample. The need for larger supplies of feedstuffs is also kinds. Kitchen utensils, except certain feeds, which are at present difficult to obtain from any source.

DEMAND FOR WEARING APPAREL

Departmental stores report that existing stocks of most lines are very limited. On the other hand, high wages and remittances from Barbados workmen abroad have tended to intensify the demand for consumer goods such as wearing apparel of all kinds, textiles, and household goods. Departmental stores to strict quotas have created be able to replenish stocks of these items as soon as possible after the war in Europe is over and supplies are released.

In the hardware trade there is a shortage of domestic appliances of all kinds. Kitchen utensils, except certain types of pyrex ware, are unobtainable.

INTEREST IN ELECTRICAL APPLIANCES

One of the most interesting developments is the keen interest which is now being shown in the possible supply of electrical appliances, of which there are now none on the Barbados market. Electric refrigerators, irons, toasters,

fans, and even electric washing-machines, which hitherto have aroused little interest, are all the subject of inquiries.

The bulk purchase of many drug lines and the restriction of proprietary medicines to strict quotas have created a potential demand which will have to be met by the commercial trade when restrictions are relaxed.

BUILDING SUPPLIES

Only in the building trade are supplies available; the recent arrival of lumber, galvanized iron, nails programmed for 1944, and a good stock of paint indicate that supplies are quite ample to meet requirements up to about August, 1945. Prices of these materials are high, and it is not expected, therefore, that any large-scale building will be undertaken, even though local restrictions are relaxed, until after the war.

Meanwhile the main market for building materials for the repair of workmen's wooden cottages continues to provide a steady demand in the trade. Inquiries to date have been concerned with the possibility of the renewal of Douglas fir shipments on a large scale by water, and the possible use of ready-made doors and window frames.

CARGO BOOKINGS TO THE MIDDLE EAST

The Shipping Priorities Committee announces that, effective November 21, 1944, a new procedure was established for the booking of cargo out of United States ports for the following destinations:—

Aden, Anglo-Egyptian Sudan, British Somaliland, Cyprus, Egypt, Eritrea, Ethiopia, French Somaliland (French Somali Coast), Iran, Iraq, Kamaran Island (Aden), Khorya-Morya Island (Aden), Lebanon, Libya, Palestine, Perim Island (Aden), Saudi Arabia, Sokotra Island (Aden), Syria, Trans-Jordan, and Yemen.

Shipments originating in Canada which are to be exported from a United States port to the Middle East destina-

tions should be covered by an application for ocean freight space submitted on Canadian Form E.1. The E.1 form should be submitted by the exporter to the Shipping Priorities Committee, West Block, Ottawa, in triplicate for all shipments regardless of weight.

After the space application has been processed by the Shipping Priorities Committee it will be passed to the Foreign Economic Administration in New York, who in turn, following approval, will notify the party indicated by the exporter to be so advised when booking authorization is granted. The exporter or his nominated agent can then proceed to obtain shipping space

direct from the steamship lines serving the above destinations.

All freight space applications which cover proposed shipments, regardless of weight, to the Middle East destinations listed, and which were on file with the War Shipping Administration

prior to November 21, 1944, will be considered valid until December 31, 1944. If not shipped at that time, applications will be cancelled and returned to the applicant. The exporter may then file a new application should he so desire.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to October 28, 1944:

	Unit	Total World Quota	Reduction in Duty from	Used by Canada to October 28, 1944	
		3,000,000 per calendar year	1930 Tariff Act 6½ to 3¼c. per gal.	Quantity	Per Cent
Whole milk.	Gal.			8,029	....
Cream.	Gal.	1,500,000 per calendar year	56½ to 28¾oc. per gal.	928	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.	Lb.	18,210,658 per calendar year	2½ to 1¼c. per lb.	Quota filled	
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.	144,824	9.6
White or Irish potatoes, other than seed potatoes.	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	Quota filled	
Red cedar shingles.	Sq.	2,153,984	Free	1,199,724	55.6
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1943	50 to 35% ad val.	40,270†	40.2
Tails	Piece	5,000 beginning Dec. 1, 1943	50 to 35% ad val.	198	3.9

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries, and for the period May 1 to October 28, 1944, imports totalled 34,661. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas		Imports May 29 to Oct. 28, 1944	
	Wheat Bu.	Wheat Flour and Other Products Lb.	Wheat Bu.	Wheat Flour and Other Products Lb.
Canada	795,000	3,815,000	795,000	788,717
Other countries	5,000	185,000	Nil	Nil

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 20, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 20, 1944, and for the week ending Monday, November 13, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 13	Nominal Quotations in Montreal Week ending Nov. 20	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2766	.2762	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TRADE OF TRINIDAD IN 1943

I. Extent and Distribution

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

Trinidad's total trade value of \$122,-389,965 in 1943 was slightly more than \$10,000,000 higher than the \$112,102,-446 figure for 1942. Increases of \$5,345,803 in transshipments, and \$4,-694,272 in imports were the outstanding features of the improvement in trade. Exports were down by \$6,395,718, mainly on account of a \$5,732,935 drop in the ships' stores and bunker trade. In fact the value of domestic exports was the lowest for any year during the war, although considerably higher than in the pre-war years.

Table I gives comparative figures of Trinidad trade by principal classifications in 1943 and 1942.

Exports

Under wartime restrictions, which prohibit publication of figures of the

Colony's main export, petroleum and its products, it is not possible to give a complete survey of Trinidad's export trade. It is significant that the production of sugar and cocoa, which were the Colony's main pre-war sources of employment, have reached the lowest level in years, and exports in 1943 were correspondingly low.

During the war large sections of the Colony's labour supply were diverted to the construction of United States bases, to the detriment of local agriculture. Now that the bases are completed, it is questionable whether labourers will be willing to return to employment in agriculture at a lower scale of wages.

As far as Canadian trade is concerned, the situation suggests that, on the one hand, there will be a demand

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TABLE I
Summary of Trinidad Trade

	1943 \$(B.W.I.)	1942 \$(B.W.I.)
Domestic exports (exclusive of ships' stores and bunkers)	9,680,360	10,343,145
Domestic exports as ships' stores and bunkers.....	26,998,023	32,730,958
Total domestic exports	36,678,383	43,074,101
Re-exports	5,353,391	4,055,032
Total exports	42,030,774	47,129,135
Imports	59,788,779	55,094,507
Transshipments	10,285,206	4,939,403
Total trade	122,389,965	112,102,446

to keep sugar at high export prices and for the consequent continuation of adequate tariff protection in the United Kingdom and Canada and, on the other hand, the boom in purchases of domestic supplies, which was characteristic of the war years, is beginning to subside.

DETAILS OF MAIN EXPORTS

Following are details of exports in 1943 of the Colony's main products according to countries of destination, with comparative figures for 1942 shown within parentheses:—

Sugar.—Total, 1,088,433 cwt., \$3,-562,772 (1,688,353 cwt., \$5,296,876): United Kingdom, \$3,003,990 (\$3,963,053); Canada, \$549,224 (\$1,330,604).

Rum.—Total, 165,980 proof gallons, \$211,314 (320,120 pr. gal., \$192,233): United Kingdom, \$20,150 (\$126,955); ships' stores, \$188,776 (\$65,099).

Cocoa.—Total, 8,009,443 lb., \$971,-212 (10,107,730 lb., \$1,187,994): United Kingdom, \$227,738 (\$463,556); Canada, nil (\$185,332); United States, \$723,983 (\$478,488).

Bitters.—Total, 56,400 proof gallons, \$471,822 (30,661 pr. gal., \$251,117): United States, \$392,522 (\$222,245).

Asphalt.—Total, 47,150 tons, \$2,256,-565 (24,331 tons, \$727,934): United

Kingdom, \$141,250 (\$88,588); United States, \$25,908 (\$52,013); other countries, \$2,089,407 (\$587,333).

Of the total exports (exclusive of petroleum products) valued in 1943 at \$11,292,883, the United Kingdom purchased 33.9 per cent as compared with 43.3 per cent in 1942.

A reduction in sugar and cocoa exports resulted in Canada being credited with only 5.6 per cent of the Colony's export trade as compared with 13.6 per cent in the previous year.

For years cocoa has been the main export from Trinidad to the United States, and it will be noted from the foregoing figures that there was a substantial increase in the value of exports thereto in 1943. In addition to this product, there has developed, since the outbreak of war, a rapid rise in the export of bitters to the United States from a value of \$19 in 1940 to \$71,408 in 1941, \$222,245 in 1942, and \$392,522 in 1943. This is the main reason for the increased percentage of Trinidad's total export trade to the United States during the war years, which rose from 7.5 in 1940 to 22.6 in 1943.

Imports

The total value of imports into Trinidad in 1943, at \$59,788,779, was

TABLE II
Trinidad Imports, 1943 and 1942

	Total	United Kingdom	Canada	United States
1943	\$59,788,779	\$ 8,404,393	\$18,782,823	\$19,597,890
1942	55,094,507	10,292,635	16,089,983	17,879,703
Foodstuffs—				
1943	21,096,801	726,443	10,525,175	1,889,737
1942	17,985,849	503,011	7,468,221	2,379,433
Manufactured goods—				
1943	32,033,713	7,518,984	7,720,541	12,343,709
1942	33,245,863	9,258,830	8,136,772	13,036,831
Raw materials and semi-manufactured goods—				
1943	6,589,804	151,752	537,107	5,330,562
1942	3,831,764	528,044	484,990	2,455,878

higher by \$4,694,272 than the previous year's figure of \$55,094,507. Table II presents comparative figures of imports for 1943 and 1942 by main classification and principal countries of origin.

FOODSTUFFS

Food imports into Trinidad may be classified as meats, fish, grain products, dairy products, and vegetables.

Meats.—In the meat group, live cattle imports from Venezuela have been steadily increased throughout the war years, and in 1943 a total of 19,053 head (\$1,724,163) were brought into this market as compared with 17,587 head (\$1,251,630) in 1942. Other beef imports have shown little variation. Imports of pickled pork dropped from 43,309 cwt. (\$740,978) in 1942 to 26,589 cwt. (\$486,886) in 1943.

Fish.—During the war years the price of imported fish rose rapidly, and it is now one of the more expensive items of the local diet. This is reflected in the fact that, while dry salted codfish imports dropped from 53,720 cwt. to 21,860 cwt. between 1929 and 1943, its import value rose from \$388,986 to \$471,305, less than half the 1939 quantity being valued at \$82,319 more than the 1939 value. Imports of other kinds of less expensive fish, pickled or smoked, have tended to increase in quantity and value, receipts in 1942 and 1943 totalling 19,724 cwt. and 14,883 cwt. respectively as compared with 7,344 cwt. in 1939.

Grain Products.—Flour is by far the most important grain product imported. Under the present system of strictly controlled imports by the Trinidad Food Controller, shipments have come almost entirely from Canada. These have shown a moderate increase in quantity and value—from 597,127 cwt. (\$2,301,893) in 1942 to 711,299 cwt. (\$3,308,758) in 1943.

A serious protein deficiency in local feedstuffs, together with local efforts to bolster production of eggs and poultry, has brought about a steady demand for imported feedstuffs. Commercial mixed-grain imports in 1943

amounted to 1,846 tons (\$181,050) as compared with 1,388 tons (\$123,114) in 1942 and 510 tons (\$26,465) in 1939. On the other hand, presumably on account of difficulty in obtaining supplies, oat imports for animals dropped from 45,400 cwt. (\$160,806) in 1942 to 31,260 cwt. (\$132,860) in 1943.

Dairy Products.—Condensed milk is the most important milk product imported into Trinidad, and since the war put an end to cut-throat competition from continental sources, the trade has been largely in the hands of Canadian shippers. Imports are restricted to quotas established by the local Food Controller. A total of 109,261 cwt. (\$2,626,777) was imported in 1943 as compared with 82,037 cwt. (\$1,786,299) in 1942.

Imports of butter have tended to increase during the war years, reaching a peak figure in 1943 of 18,928 cwt. (\$902,473) as compared with the next highest figure, 18,171 cwt. (\$639,318) in 1941. Salted cooking butter in tins accounts for a large section of this trade. In the pre-war years this was obtained mainly from France, Great Britain, Eire, and South America. Since the outbreak of hostilities it has been imported from Canada and South America.

For years Canada has been the main source of cheese, but United Kingdom war requirements greatly reduced supplies, so that in 1943 the imports into Trinidad amounted to only 999 cwt. (\$36,258) as compared with 7,836 cwt. (\$281,016) in 1942.

Vegetables.—Potatoes are the main fresh vegetables imported from Canada, but being a carbohydrate, other ground vegetables grown in Trinidad, such as yams and sweet potatoes, can be substituted for them if the conservation of shipping space becomes necessary. Consequently imports of potatoes from all sources during the recent war years dropped to less than half the normal pre-war volume. Imports in 1942 and 1943 amounted to 45,135 cwt. (\$222,404) and 46,226 cwt. (\$315,989) respectively as compared with 92,981 cwt. (\$160,917) in 1938.

Imports of onions amounted to 46,128 bushels (\$173,453) as compared with 52,106 bushels (\$149,490) in 1942.

SUMMARY OF FOOD IMPORTS

Following is a summary of the principal increases and decreases in food-stuff imports in 1943 as compared with 1942:—

Increases.—Live cattle, \$1,724,163 (\$1,251,630 in 1942); dried beans and peas, \$423,326 (\$227,416); beer, \$947,424 (\$322,822); biscuits, \$42,698 (\$1,700); butter, \$902,473 (\$729,224); manufactured cereals, \$210,456 (\$174,772); cornmeal, \$111,077 (\$49,901); commercial mixed grains, \$181,050 (\$123,114); meals, \$181,694 (\$50,269); flour, \$3,308,758 (\$2,301,893); dried fruit, \$54,437 (\$19,478); fresh beef, \$214,918 (\$60,033); fresh pork, \$61,329 (\$9,011); condensed milk, \$2,626,777 (\$1,786,299).

Decreases.—Cheese, \$36,258 (\$281,016 in 1942); codfish, \$471,305 (\$536,908); fish, other sorts, \$267,811 (\$317,737); linseed cake, \$32,935 (\$182,903); pickled and salted pork, \$486,886 (\$740,978); oats, \$132,860 (\$160,806); cigarettes, \$393,108 (\$739,558).

MANUFACTURED GOODS

Imports of metal manufactures were below those recorded for previous years, there being a drop in 1943 in such items as steel tubes, machinery, building materials, and motor cars.

Trade remained fairly steady in such non-metallic goods as apparel, white bleached cottons, paper products, and proprietary medicines.

Detailed figures of these imports will be found in a later statistical summary of imports of interest to Cana-

dian shippers. Following is a statement of the main increases and decreases in the values of manufactured imports in 1943 as compared with 1942:—

Increases.—Stockings and hose, \$408,472 (\$132,123 in 1942); apparel n.o.p., \$1,544,787 (\$1,110,169); barytes, \$558,801 (\$254,106); boots and shoes, \$1,866,777 (\$1,289,640); calcium carbide, \$162,891 (\$37,539); white bleached cottons, \$564,215 (\$447,191); hats and caps, \$643,649 (\$432,809); steel plate, not coated, \$438,007 (\$138,071); packing and wrapping paper, \$296,339 (\$83,425); paper bags, \$187,017 (\$87,660); wallboard, \$113,406 (\$47,505); paper manufactures n.o.p., \$429,108 (\$317,784); laundry soap, \$101,540 (\$31,991).

Decreases.—Printed cottons, \$1,359,732 (\$1,585,607 in 1942); steel girders and angles, \$141,998 (\$281,905); coated galvanized steel sheets, \$57,251 (\$145,881); tubes, pipes and fittings, \$1,660,121 (\$2,133,722); sugar-making machinery, \$138,779 (\$149,051); electrical machinery, \$177,953 (\$628,833); oil-mining machinery, \$290,823 (\$517,584); oil-refining machinery, \$108,589 (\$228,681); artificial silk, \$1,162,560 (\$1,453,357); motor cars, \$209,501 (\$280,526).

Direction of Import Trade

The percentages of total imports received from the main countries of origin during the pre-war year 1938 and the following five years is shown in Tale III.

While Canada's share of the total import trade was 0.03 per cent below that for the peak year 1941, the value of imports in 1943 exceeded the 1941 value by \$715,639 to yield a record import figure of \$18,782,823. This

TABLE III

Trinidad Imports by Principal Countries

	1938	1939	1940	1941	1942	1943
	%	%	%	%	%	%
Canada	12.15	14.50	21.35	31.43	29.20	31.40
United Kingdom	37.08	35.79	31.83	20.65	18.68	14.20
United States	23.72	25.49	27.93	24.87	32.45	32.76

strong position was the result largely of a heavy increase in the value of food imports from Canada, which accounted for 49.8 per cent of the total value of food imports as compared with 41.5 per cent in 1942.

It will be noted that since 1942 the United States has become the major source of supply, a position held in the pre-war period by the United Kingdom and in 1941 by Canada. Supply difficulties in Great Britain since the outbreak of war, and in Canada since 1941, account for the present positions of these countries.

IMPORTS FROM THE UNITED STATES

Manufactured and Semi-manufactured Products.—More industrialized than the other colonies on account of its oilfields and oil refineries, Trinidad has provided in recent years a substantial market for steel goods, machinery and equipment from the United States. Owing to the restricted use of steel for essential purposes, imports in 1943, however, did not show any general increase, as will be noted from the following comparative figures for the principal steel products imported from that country in 1943 and 1942: Bars and rods (steel and iron), \$154,470 (\$165,260 in 1942); angle shapes and sections, \$74,290 (\$165,347); plates and sheets, not coated, \$405,129 (\$54,942); -corrugated galvanized, \$40,889 (\$141,684); plates and sheets n.o.p., \$64,293 (\$52,339); tubes, pipes and fittings under 6 inches in diameter, \$778,173 (\$788,712); tubes, pipes and fittings over 6 inches in diameter, \$789,697 (\$1,057,154); wire netting and fencing, \$28,532 (\$7,629); wire, nails and staples, \$46,132 (\$60,660); wire and wire manufactures n.o.p., \$109,575 (\$93,459); bolts, nuts, rivets, etc., \$68,529 (\$134,556); domestic and sanitary ware, \$27,599 (\$97,055); metal furniture, \$38,825 (\$38,390); hollow-ware, \$112,742 (\$128,680); manufactures of iron and steel n.o.p., \$286,962 (\$583,572); brass and alloys of copper, \$59,412 (\$37,877); copper manufac-

tures, \$44,455 (\$48,423); hardware and hollow-ware, n.o.p., \$48,962 (\$95,571); artisans' tools, \$55,543 (\$91,703); implements and tools, n.o.p., \$60,132 (\$147,568); electrical goods and apparatus, n.o.p., \$84,727 (\$183,536); tractor parts, \$35,013 (\$126,781); oil-mining machinery, \$268,401 (\$472,121); oil-refining machinery, \$60,482 (\$226,341); marine engines, internal combustion, \$91,758 (\$25,982); machines and machinery, n.o.p., \$744,119 (\$790,971).

Textiles and Wearing Apparel.—A marked increase in the importations of textiles and wearing apparel from the United States has taken place since the war began, especially in 1942 and 1943, for which years the import values for the main items were as follows: Grey unbleached cottons, \$95,113 (\$77,889 in 1942); white bleached cottons, \$275,889 (\$228,177); printed cottons, \$575,067 (\$875,349); dyed and coloured cottons, \$401,793 (\$629,284); made-up cottons, \$148,454 (\$117,484); artificial silk piece-goods, \$114,067 (\$259,524); women's outer garments, \$47,313 (\$1,446); shirts, \$245,293 (\$1,558); shorts and vests, \$274,677 (\$71,019); other manufactures, n.o.p., \$40,416 (\$24,060); boots and shoes, \$803,651 (\$811); hats and caps, \$69,588 (\$466); cotton hosiery, \$76,433 (\$18); artificial silk hosiery, \$218,250 (\$57); artificial silk underwear, \$41,700 (\$5,947).

Lumber and Wood Products.—A strong market for pitch pine has been developed in Trinidad, and imports of this item, along with other wood products, were as follows: Pitch pine, undressed, \$446,171 (\$339,502); pitch pine, dressed, \$679,644 (\$643,840); white oak staves, \$107,145 (\$71,731); staves, n.o.p., \$25,008 (\$43,589); gums and resins, \$50,765 (\$30,045).

Miscellaneous Manufactures.—Other miscellaneous imports of interest from the United States were as follows: China and dishes, \$24,606 (\$2,945 in 1942); ornamented glassware, \$68,488 (\$185,286); bottles, \$84,488 (\$9,053); cement, \$51,576 (\$15,883); exposed films, \$99,090 (\$77,416); optical instru-

ments and apparatus, \$44,686 (\$18,638); insulated electric wire and cables, \$56,704 (\$101,486); chemical manufactures, n.o.p., \$317,391 (\$520,010); proprietary medicines, \$57,812 (\$38,567); barytes, \$66,726 (\$46,027); lubricating oil, \$818,563 (\$658,081); paper manufactures, n.o.p., \$83,312 (\$104,079); motor cars exceeding 3,000 lb. net, \$122,898 (\$91,794); lorries and vans, \$80,344 (\$11,929); rubber outer tires for cars, \$33,626 (\$23,684); rubber outer tires for lorries and vans, \$56,610 (nil); motor car spare parts, \$104,689 (\$125,747); printed books, \$72,976 (\$49,453); solid perfumery, \$53,226 (\$66,799); manufactures, n.o.p., \$291,496 (\$183,968).

Foodstuffs.—The United States is not an important supplier of foodstuffs to Trinidad, but there were increases in a few imports from that source in 1943. Imports of fresh beef rose from \$882 in 1942 to \$168,066 in 1943; malt from nil to \$44,333; dead poultry, \$36,656 (\$26,228); condensed milk, \$270,568 (\$140,782); yeast, \$69,068 (\$37,498); and provisions n.o.p., \$344,006 (\$175,793).

Decreases occurred in: linseed meal, \$32,741 (\$182,584); pickled pork, \$214,103 (\$346,977); unmanufactured leaf tobacco, \$88,861 (\$90,447); and cigarettes, \$131,412 (\$159,296).

IMPORTS FROM THE UNITED KINGDOM

Comparative values of the principal imports from the United Kingdom for the years 1943 and 1942 are as follows:

Foodstuffs.—Beer, \$257,853 (\$206,731); whisky, \$117,042 (\$48,386); cigarettes, \$243,601 (\$50,069).

Manufactured and Semi-manufactured Products.—Drain pipes of pottery, \$31,733 (\$7,513); china, \$52,365 (\$68,427); plate glass, polished and

silvered, \$48,760 (\$83,532); glass bottles and jars, \$227,544 (\$84,715); asbestos sheets, \$88,789 (\$113,795); asbestos manufactures, n.o.p., \$52,607 (\$84,891); cement, \$257,590 (\$497,456); iron and steel bars and rods, \$60,774 (\$7,462); iron and steel angle shapes and girders, \$67,708 (\$50,162); hoops and strips, n.o.p., \$43,106 (\$24,171); plates and sheets, not coated, \$32,611 (\$83,105); tubes and pipes under 6 inches in diameter, \$76,643 (\$96,680); domestic and sanitary ware, \$69,349 (\$52,339); manufactures of steel, n.o.p., \$307,108 (\$228,454); brass and alloys of copper, \$70,042 (\$88,790); hardware, other than hollow-ware, n.o.p., \$56,327 (\$61,711); agricultural implements and tools, \$48,429 (\$51,641); artisans' tools, \$51,730 (\$59,781); insulated wire and cable, \$48,376 (\$132,592); wireless apparatus, \$41,917 (\$59,627); electrical goods and apparatus, n.o.p., \$50,573 (\$80,183); electrical machinery, \$75,053 (\$341,310); oil-refining machinery, \$48,107 (\$2,340); internal combustion engines (not marine), \$70,124 (\$52,455); sugar-making machinery, \$119,501 (\$122,435); machines and machinery, n.o.p., \$142,992 (\$278,531); white bleached cottons, \$211,459 (\$126,226); printed cottons, \$289,499 (\$159,514); cottons, dyed and coloured, \$335,313 (\$279,638); cotton thread, \$157,286 (\$142,353); made-up cottons, \$98,901 (\$122,021); other cotton manufactures, n.o.p., \$92,973 (\$63,159); artificial silk piece-goods, \$775,242 (\$605,720); boots and shoes, leather, \$277,655 (\$373,328); hats and caps, \$201,942 (\$160,174); chemical manufactures, n.o.p., \$428,211 (\$297,050); proprietary medicines, \$149,708 (\$149,070); ready-mixed paints, \$81,661 (\$108,625); stationery, \$98,548 (\$87,660); bicycles, \$125,425 (\$19,804); books, printed, \$104,346 (\$66,457); manufactures of cork, \$83,969 (\$15,662); leather polishes, \$37,266 (\$76,685).

POST-WAR PLANNING OF GLASGOW

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

In response to a questionnaire from Glasgow Corporation inviting their views on planning problems, a special committee of the Chamber of Commerce and manufacturers of Glasgow have recently issued a memorandum on the post-war planning of this city.

Re-development of the older parts of Glasgow, with provision for industrial works as well as for housing, is strongly urged. This section of the memorandum deals with the prospects of local industries and emphasizes that comprehensive planning is needed to maintain and improve the economic well-being of the community. The memorandum states that the Corporation of Glasgow in its scheme for re-planning the city has in recent times chiefly concentrated on the erection of houses in the outer areas. The committee is of the opinion that decayed areas in inner districts have not been given the consideration they deserve. By the creation of dormitories in the outer areas, population has been displaced and the pool of labour disturbed, and this has had its effect on industry.

The committee is also of the opinion that industrial development within the city area has not had full consideration from the Corporation, but that it would not be sound policy to provide for it without parallel provision for the housing of the work-people within easy distance. The replanning of decayed city areas, both for industry and housing, should have a prominent place in the general scheme.

Industrial Estates

The committee has every sympathy with the establishment of industrial estates, the largest of which in Scotland is at Hillington, just outside Glasgow. The manufacturing facilities provided are leased to individual firms.

But the establishment of other such estates in the outskirts of the city involves certain factors which must be considered. The attractions provided

in industrial estates offer inducements to those in industry in the city but, if this type of scheme is developed only in the outer areas, it may prove detrimental to those areas of the city from which these industries may be transferred. Transference would eventually call for housing, which would result in further displacement of population and the increase of decayed areas within the city.

The committee feels, therefore, that the possibility of forming minor industrial centres within the city, including tenement factories, should be investigated. It is on record that there are now nearly 6,000 factories and workshops within the city boundaries of Glasgow.

Industrial Prospects

The committee has had before them communications from members of the Chamber representative of various trades. The general view is that there is no reason why the heavy industries in Glasgow and district should not be reasonably busy for some years after the war. This view is, however, subject to the following considerations, which may modify or alter this opinion:—

1. The extent to which government control will be maintained during the post-war reconstruction period introduces an element of uncertainty.

2. The future of shipbuilding and marine engineering industries is obscure until the world's shipping position becomes clearer.

3. Provided costs of production in this country do not handicap export industry too seriously and other countries do not heavily subsidize their industries or adopt other methods that will tend to handicap the products of this country, there seems no reason why the heavy industries, particularly shipbuilding, should not be able to compete fairly well in the world's markets.

4. Competitive ability in the West of Scotland must depend on the degree to which industry has to bear the expense of extended social services and other costs which national and local policy may impose upon it.

It would appear, says the memorandum, that for some years all industrial output will be absorbed. Widespread saturation of markets is a distant possibility, but the West of Scotland's share will depend on ability to offer competitive prices. It is recognized that Clydeside employers and work-people can normally compete in quality and price despite geographical disadvantages. But their ability to do so depends upon a common understanding between employers and workers that they have responsibilities, and that their united efforts, free from internal bickering, are required to maintain and improve the pre-war output.

It is the opinion of the committee that shipbuilding and marine engineering will probably have a reasonably full program after the war. The locomotive and railway waggon industry is likely to experience a steady demand for its products for some time to make up the wastage and lack of maintenance during the war period in many countries.

Steel structural engineers should have a long run rebuilding devastated areas, replacing bridges, etc. and carrying out new work or reconstruction.

Light castings foundries should have reasonably good prospects after the war. The extensive use of substitute materials may, however, have an influence on output.

The view of the Chamber on certain other industries may be summarized as follows:—

Building Trade.—Intensive building program for housing and the normal and deferred replacement of properties should provide employment for an appreciable section of the population and help flatten depression periods.

Heavy Chemicals.—Being closely linked with the heavy-metal industries, orders will probably fall off from this source in the post-war period but increased demands from other industries

should maintain the heavy chemical industry in Glasgow at approximately its pre-war level.

Light Chemicals (including paint and rubber).—This industry in Glasgow will probably tend to become larger.

Medium and Light Engineering.—A "switching over" of products on an extensive scale will take place at the end of the war, and many workers will change their firms or (particularly women) leave the industry. On the whole, this industry is likely to be larger after the war than it was in, say, 1937.

There will be years of work required to replace and repair the many factories and installations of all kinds which have been destroyed during the war at home and abroad. If engineering industries can turn over quickly from purely war production to the types of engineering products needed for the development of peacetime industries and for the building trade, there will be good opportunities for employment in them and in the basic and ancillary trades from which they draw their materials and supplies.

Foodstuffs and Beverages.—There will likely be expansion in this field.

Leather and Allied Industries.—There are prospects of considerable demand in the immediate post-war period, limited only by the supply of raw material.

Printing, Paper-making, Cardboard Box-making.—This will probably be an expanding industry.

Textiles.—Some branches, particularly those using wool, such as carpet, hosiery and garment making, and their ancillary branches, will be very busy in the post-war period and seem likely to expand.

Timber and Allied Industries.—The demands of housing construction and the need for furniture should ensure prosperity for this industry. In this connection it has to be noted that the manufacture of furniture and other household equipment would require to be encouraged at the same time as the building of new houses.

Glasgow, November 7, 1944.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

12. LEATHER BOOTS AND SHOES

By W. H. LANCELEY, *Chief Fisheries and Animal Products Branch,*
Dominion Bureau of Statistics

The first census of New France, taken in 1666, showed 20 shoemakers in a population of 3,215. At that time and for nearly 200 years afterward all shoes were made by hand.

In 1846 Elias Howe, a New Englander, invented the sewing-machine and in 1858 Lyman R. Blake, shoemaker of Abingdon, Massachusetts, invented a machine for sewing the soles of shoes and his process is still in use under the name of the McKay process, after Gordon McKay, who purchased Blake's patents. It was McKay who instituted the system of manufacturing machines and renting them out on a royalty basis, thereby enabling craftsmen with little capital to manufacture shoes on their own account. Shortly afterwards a machine was invented for making a different type of shoe, known to-day as the Goodyear welt. These developments spelled the doom of the old handicraft system and the development of the factory system.

In 1847, Brown and Childs, of Montreal, imported several sewing-machines for stitching uppers; but the innovation was so unpopular with the workers that, when the Parliament Buildings in Montreal were destroyed during the Rebellion Losses Act riots in 1849, the protection of the police and militia was necessary to save the factory of Brown and Childs. The McKay machines found their way into Canadian shoe factories between 1867 and 1870, to be followed shortly by those of Goodyear.

Factory Growth

The census of Upper and Lower Canada taken in 1861 showed 6,270 shoemakers and 38 factories with an output of \$133,714 in Upper Canada and 4,916 shoemakers and 12 factories with an output of \$75,150 in Lower Canada. By 1870 the number of shoemakers had increased to 16,123, divided as follows: Ontario, 6,716; Quebec, 6,062; New Brunswick, 1,357 and Nova Scotia, 1,988. The number of factories had in-

creased to 4,191, employing 18,719 hands, with a yearly wage bill of \$4,159,896, using raw material to the value of \$7,927,155 and with a value of production amounting to \$16,133,638. There is no way of telling whether any or all of the 16,123 persons recorded as "shoemakers" were employed in the factories or were working on their own account.

By 1880 the number of factories had increased to only 4,443, the employees to 18,949, the wages to \$4,382,584, the raw materials to \$9,876,745 and the value of production to \$17,895,903. The records for 1890 showed a great increase in the number of firms to 5,398, their fixed capital being \$3,396,195 and working capital \$6,252,444. Employees numbered 18,041, wages were \$4,916,464, the value of raw materials \$9,935,281 and value of production \$18,990,381.

In 1901 the census was confined to establishments employing five hands or over, with the result that only 179 establishments with a capital of \$11,005,869 were enumerated. Wage-earners numbered 12,949 and the wage bill amounted to \$3,935,448; raw materials cost \$10,993,979 and the value of production was \$18,481,216. Certain comparable statistics are available for 1890 and 1900 and these show that in the ten years employees had increased by 2,112, wages by \$1,418,446, and the value of production by \$5,775,001.

In 1910 the number of establishments had increased by one only, 180 firms having been enumerated. They had an aggregate capital of \$23,630,649, employed 17,227 hands, paid salaries and wages to the amount of \$7,698,333, used raw materials to the value of \$18,507,535, and the value of their production was \$33,987,248.

Comparable statistics of number of firms, capital, number of employees, salaries and wages paid, cost of materials, and value of production are available for each year from 1917 onwards. These are shown in Table I.

TABLE I
Leather Boot and Shoe Industry, 1917-42

Year	Firms No.	Capital \$	Employees No.	Salaries and Wages \$	Cost of Materials \$	Value of Production \$
1917	185	31,486,345	13,264	9,246,744	26,780,543	49,170,062
1918	161	33,274,753	13,567	9,599,967	27,318,772	46,387,665
1919	161	38,680,581	15,707	13,326,014	39,973,890	63,319,128
1920	173	34,347,026	13,230	14,205,270	40,291,595	66,817,174
1921	177	31,644,855	13,489	12,075,028	23,379,183	44,665,381
1922	181	29,881,921	13,870	13,902,795	22,259,765	45,503,858
1923	186	30,533,591	14,391	14,027,851	22,693,211	45,596,012
1924	183	30,835,479	14,506	13,813,339	21,667,083	42,003,668
1925	188	30,863,482	13,792	13,088,954	20,486,473	40,022,515
1926	186	31,325,331	15,016	14,726,763	24,091,923	46,096,163
1927	191	31,921,002	15,433	14,927,844	24,566,423	47,372,549
1928	199	31,433,028	15,505	14,982,608	26,383,043	50,018,802
1929	191	31,028,229	15,563	15,031,101	25,510,731	48,627,590
1930	179	28,162,582	13,922	12,858,062	20,521,726	40,478,911
1931	184	25,844,168	14,150	12,340,283	17,949,804	36,625,565
1932	191	22,024,801	13,728	11,156,856	15,753,021	32,242,416
1933	205	22,963,783	14,526	10,509,461	16,347,068	32,291,092
1934	211	22,709,588	14,868	10,571,099	17,021,115	32,305,637
1935	217	24,313,445	15,930	11,742,871	19,431,799	35,989,912
1936	219	25,318,549	15,961	11,622,002	18,889,035	35,543,115
1937	221	27,374,704	16,773	13,026,642	22,295,404	41,088,713
1938	213	25,328,677	15,932	12,396,670	19,054,739	37,194,770
1939	222	30,258,048	16,957	13,467,293	21,528,236	40,925,513
1940	217	29,517,070	17,149	13,958,753	24,613,366	45,767,912
1941	210	34,243,680	18,841	17,687,326	32,201,024	57,053,251
1942	221	35,877,425	19,113	19,846,642	40,153,136	67,648,973

The statistics of employees and of salaries and wages, as given in Table I, include piece-workers and their remuneration in the years 1918 to 1924. The numbers of such workers and the amounts paid to them were. 1918, 430 (\$174,870); 1919, 366 (\$75,270); 1920, 594 (\$121,417); 1921, 575 (\$159,109); 1922, 166 (\$57,932); 1923, 348 (\$76,407); 1924, 283 (\$40,888).

A preliminary estimate of the principal statistics for 1943 would indicate that there were 222 establishments with a salary and wage bill of \$21,372,000. They paid \$42,080,000 for raw materials and the production was valued at \$72,520,000.

Production and Value of Footwear

Table II shows the number of pairs produced and the average value of all kinds of leather footwear from 1919 to 1942.

External Trade in Footwear

In the twelve months following Confederation, Canada's imports of boots and shoes were valued at \$84,635, of which 50 per cent came from the United

TABLE II
*Production and Average Price of
Leather Footwear, 1919-42*

Year	Pairs No.	Average Price \$
1919	18,891,860	3.29
1920	17,693,966	3.71
1921	14,745,851	2.98
1922	17,045,842	2.63
1923	18,123,894	2.50
1924	17,729,421	2.36
1925	17,316,565	2.30
1926	19,896,539	2.30
1927	20,567,765	2.29
1928	20,793,758	2.39
1929	20,459,737	2.36
1930	17,646,338	2.28
1931	18,239,635	2.00
1932	18,376,123	1.75
1933	19,922,654	1.61
1934	19,990,716	1.61
1935	22,258,410	1.61
1936	21,882,586	1.62
1937	24,325,355	1.68
1938	21,977,600	1.68
1939	24,805,251	1.64
1940	25,751,617	1.77
1941	31,522,236	1.80
1942	33,066,389	2.03

States, 37 per cent from the United Kingdom and 13 per cent from other countries. In the next year they increased to \$137,428, or by 62 per cent, while the proportion of imports had

changed to 48 per cent from the United Kingdom, 46 per cent from the United States, and 6 per cent from other countries.

Statistics of exports are available from 1876, when they were valued at \$83,279, nearly 85 per cent of which went to Newfoundland. In the same year imports totalled \$283,293, 85 per cent coming from the United States, 14 per cent from the United Kingdom and 1 per cent from other countries. In 1877 imports were valued at \$302,111, a peak which was not exceeded until 1893, when they amounted to \$305,890; the exports for these two years were \$196,422 in 1877 and \$91,565 in 1893.

Despite a recession in 1894, imports continued to increase and first reached the million-dollar mark in the fiscal year 1906, and the two-million-dollar mark in 1911. In 1913 they jumped to \$4,111,492 and reached \$4,349,597 in the next year, continuing throughout the first World War, except for 1916, at over the three-million-dollar mark. In the immediate post-war period, imports amounted to \$2,731,591 in the fiscal year ended March 31, 1920, \$2,220,121 in 1921, and \$1,338,775 in 1922.

Exports rose to \$196,422 in 1877 and reached \$236,345 in the next fiscal year; by 1887 they had dropped to \$61,952 and, except in 1888, they were below the hundred-thousand-dollar mark until 1901, when they reached \$209,142. However, by 1912 they had dropped to \$36,841. The first World War gave an impetus to Canada's exports of boots and shoes, the fiscal year figures being: 1915, \$188,084; 1916, \$537,595; 1917, \$951,687; 1918, \$905,087; and 1919, \$1,130,334.

In the inter-war period Canada consistently imported more shoes than she exported, but by 1938 the margin between exports and imports was narrowed to less than \$180,000. Tables III and IV show respectively the imports in the fiscal years 1923-1938 and the exports during the same period, together with the three leading countries of destination. The import figures in

Table III do not include boots and shoes brought into the country by tourists returning from other countries, who were permitted to import, duty free, goods to the value of \$100 from May 1, 1936. These incidental purchases of boots and shoes amounted to \$394,644 in the fiscal year 1937 and to \$658,564 in 1938.

TABLE III

Imports of Leather Boots and Shoes into Canada, Fiscal Years ended March 31, 1923-38

Year	Pairs No.	Value \$
1923	421,044	1,220,734
1924	616,900	1,546,216
1925	764,954	1,788,909
1926	663,314	1,661,277
1927	831,717	2,097,658
1928	822,825	2,364,368
1929	863,973	2,668,391
1930	1,007,173	2,892,467
1931	1,087,921	2,535,757
1932	571,617	1,232,191
1933	334,515	615,725
1934	318,887	598,376
1935	301,841	612,929
1936	316,472	677,162
1937	475,300	836,513
1938	552,016	998,933

As from January 1, 1939, the publication of trade figures on the fiscal-year basis was discontinued and the following comparisons are for the calendar years.

As compared with 1938, the latest full pre-war year, imports in 1943 had risen by 5.6 per cent in quantity and by 57.3 per cent in value. In 1938 the United States supplied shoes to Canada to the value of \$638,130 or 57.4 per cent of the total imports, while the United Kingdom's share of this trade was \$310,720 or 27.9 per cent.

A sharp distinction is noticeable in the types of shoes supplied by the two leading countries. For instance, in 1938, the United Kingdom enjoyed the lion's share of the trade in men's shoes with 83.6 per cent of the total value as compared with 12.7 per cent supplied by the United States. On the other hand, the United States was the principal supplier of women's shoes with 77.1 per cent of the total value coming from that country as against only 2.9 per cent from the United Kingdom. The quality of men's foot-

wear from the United Kingdom would appear to be higher than that coming from the United States, the average prices per pair being \$3.01 and \$2.32 respectively. The opposite is apparent in the case of women's shoes, those from the United States averaging \$2.11 per pair as compared with \$1.89 for those from Britain.

In 1943 the United States supplied boots and shoes valued at \$1,614,416, or 92.3 per cent of the total imports of \$1,749,752, while the United Kingdom, as might be expected in war time, was able to supply goods only to the value of \$33,755 or 1.9 per cent of the total. The relative quality of the imports remained as before the war, men's

TABLE V
Imports of Leather Boots and Shoes into Canada, 1938-43

Year	Pairs No.	Value \$
1938	594,531	1,111,990
1939	813,330	1,486,465
1940	502,028	1,201,747
1941	460,707	1,207,477
1942	514,682	1,522,737
1943	628,056	1,749,752

with the three leading countries of destination in each year, are shown in Table VI. It is interesting to note that these three countries accounted for 82 per cent of the total exports in 1938 but in 1943 for only 64 per cent.

In 1938 Canada exported footwear to 44 countries and in 1943 to 37. In

TABLE IV
Exports of Leather Boots and Shoes from Canada, Fiscal Years ended March 31, 1923-38

Year	Pairs No.	Total Value \$	Principal Countries of Destination
1923	47,828	130,034	United States, \$65,453; United Kingdom, \$16,740; St. Pierre & Miquelon, \$11,985.
1924	107,968	304,913	United States, \$121,352; New Zealand, \$66,920; South Africa, \$44,597.
1925	151,880	329,348	United Kingdom, \$111,125; United States, \$110,660; New Zealand, \$71,142.
1926	130,236	303,480	United States, \$124,147; New Zealand, \$76,354; United Kingdom, \$59,536.
1927	159,194	322,439	United States, \$159,958; New Zealand, \$76,483; United Kingdom, \$43,686.
1928	117,988	281,014	United States, \$206,585; New Zealand, \$29,998; United Kingdom, \$29,475.
1929	146,345	383,186	United States, \$287,441; New Zealand, \$46,093; United Kingdom, \$26,764.
1930	124,816	373,726	United States, \$284,844; New Zealand, \$57,744; United Kingdom, \$12,556.
1931	73,447	201,998	United States, \$117,287; New Zealand, \$43,644; United Kingdom, \$12,480.
1932	18,212	52,741	United States, \$29,119; St. Pierre & Miquelon, \$6,880; United Kingdom, \$5,246.
1933	19,278	52,685	United States, \$27,671; St. Pierre & Miquelon, \$9,282; United Kingdom, \$7,347.
1934	31,966	95,007	United Kingdom, \$52,133; United States, \$20,495; St. Pierre & Miquelon, \$7,065.
1935	76,191	255,188	United Kingdom, \$173,625; New Zealand, \$27,369; United States, \$24,346.
1936	176,892	354,666	United Kingdom, \$178,903; Jamaica, \$70,752; United States, \$32,389.
1937	254,637	576,589	United Kingdom, \$274,878; Jamaica, \$122,842; New Zealand, \$59,755.
1938	358,390	810,875	United Kingdom, \$253,253; Jamaica, \$235,499; New Zealand, \$134,070.

shoes from the United Kingdom averaging \$5.10 per pair as compared with \$3.91 for those from the United States and women's shoes averaging \$3.01 for American and \$1.96 for British.

Exports of leather boots and shoes in the calendar years 1938 to 1943,

the latter year exports to Newfoundland, the British West Indies, including Bermuda, and British Guiana, amounted to \$1,600,986 or 70 per cent of the total; while those to the United States amounted to \$461,885 or 20 per cent.

TABLE VI

Exports of Leather Boots and Shoes from Canada, 1938-43

Year	Pairs No.	Total Value \$	Principal Countries of Destination
1938	350,754	784,435	United Kingdom, \$263,773; Jamaica, \$220,471; New Zealand, \$161,123.
1939	413,025	724,047	Jamaica, \$299,990; United Kingdom, \$164,821; New Zealand, \$73,786.
1940	630,627	888,093	Jamaica, \$295,793; Trinidad and Tobago, \$205,073; British Guiana, \$65,022.
1941	942,645	1,362,932	Trinidad and Tobago, \$510,363; Jamaica, \$182,109; British Guiana, \$136,096.
1942	1,326,700	2,303,171	Trinidad, \$747,061; Jamaica, \$443,666; United Kingdom, \$265,355.
1943	1,157,142	2,276,754	Trinidad, \$591,540; United States, \$461,885; Jamaica, \$404,479.

Conclusion

From the trade figures for the years 1938 to 1943 it will be noted that during the war period imports in the aggregate have risen only moderately, while exports have increased substantially both in volume and value. Further, in each of the three years 1941, 1942 and 1943 the value of exports has exceeded considerably that of imports. The figures for these years of the second World War present an interesting contrast with those of the first World War, when imports continued at a level substantially in excess of the value of exports, in spite of a very sharp increase in the latter.

Conditions have been very different in the two wars, of course, and it is very difficult to assess with any accuracy the effect of such factors as supply, direct war needs, shipping shortages, exchange and price controls in the

opening or enlargement of certain markets to the products of the Canadian industry, or in limiting imports of boots and shoes into Canada.

It may be observed, however, that the Canadian industry has increased its exports during the war years while also meeting greatly increased requirements in Canada, as the rise in value of production indicates. Further, wartime conditions have resulted in the reduction of exports of boots and shoes to certain established peacetime markets as well as in larger gains in shipments to other markets.

Depending upon economic conditions and wartime industrialization in these markets, Canada may reasonably expect to regain after the war some of the business lost in former established markets and also to retain a substantial share of the business in those countries whose requirements the Canadian industry has supplied during the war.

UNITED STATES WHEAT SITUATION

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

A recent report on the wheat situation, by the Bureau of Agricultural Economics of the Department of Agriculture, indicates that the general supply and demand prospects for 1944-45 remain little unchanged from earlier estimates. This year's crop, estimated on October 1 at 1,108,881,000 bushels, is the largest on record. With a carryover of some 315,000,000 bushels, prospective supplies will approximate 1,450,000,000 bushels. As a result, it is anticipated that imports of wheat will not be large for 1944-45. Domestic distribution will account for 998,000,000 bushels and, allowing for a reasonable increase in

exports, the carryover on July 1, 1945, should be close to 315,000,000 bushels.

Production

The 1944 production of all wheat in the United States, as estimated on October 1, is 1,108,881,000 bushels, or 32.6 per cent over the 1943 crop of 836,298,000 bushels and 100,244,000 bushels in excess of the previous high crop of 1,008,637,000 bushels in 1915. The ten-year (1933-42) average crop is 760,190,000 bushels. The yield of all wheat is placed at 32.8 bushels per acre, an increase of 1.7 bushels per acre over the 1943 yield.

The indicated production of all spring wheat is placed at 322,757,000 bushels, the largest crop since 1928, as against 306,692,000 bushels in 1943 and the ten-year average of 189,524,000 bushels. Spring wheat yield is estimated at 33,287,000 bushels as compared with 18.5 bushels per acre in 1943. Durum wheat production is estimated at 33,287,000 bushels as compared with 36,204,000 bushels in the previous year and the ten-year average of 27,413,000 bushels. The 1944 yield per acre of 15 bushels is 2 bushels per acre under that for 1943. Other spring wheat production is estimated at 289,470,000 bushels as against 270,488,000 bushels in the previous year and the 1933-42 average of 162,112,000 bushels. The yield is indicated at 17.2 bushels per acre, a decrease of 1.5 bushels per acre from 1943.

Stocks

Total wheat stocks in the United States on October 1, 1944, are estimated at 1,106,645,000 bushels as against 1,110,661,000 bushels on October 1, 1943, a decrease of 4,016,000 bushels. Stocks of wheat on the farms on October 1 amounted to 546,390,000 bushels, an increase of 26,827,000 bushels over the October 1, 1943, stocks of 519,563,000 bushels. However, this increase, together with a gain of 9,575,000 bushels for merchant mills and mill elevators, was more than offset by the decrease in stocks at interior mills, elevators and warehouses and in Commodity Credit Corporation wheat in transit and bins, amounting to 37,969,000 bushels. Commercial wheat stocks at 199,475,000 bushels, were almost equal to the October 1, 1943, commercial stocks of 199,592,000 bushels.

It is estimated that stocks of wheat at the close of the 1944-45 crop year, June 30, 1945, may be reduced to between 250,000,000 and 300,000,000 bushels. This is based on the prediction that the yield from the 1945 goal sowings of 68,000,000 acres will result in a crop somewhat below the prospective 1945-46 disappearance.

Supply

The July 1, 1944, domestic supply of wheat in the United States was

indicated at 1,424,000,000 bushels and consisted of stocks of 315,000,000 bushels and new crop of 1,109,000,000 bushels. The comparable 1943 domestic supply amounted to 1,458,000,000 bushels, of which stocks totalled 622,000,000 bushels and new crop 836,000,000 bushels. The previous high domestic supply was attained in 1942 and amounted to 1,606,000,000 bushels. During the past four years there have been record high supplies, reflecting large crops and small exports.

On the basis of supplies of 1,424,000,000 bushels on July 1, 1944, the stocks on hand on October 1 indicate a July-September disappearance, excluding imported wheat, of 317,000,000 bushels. The corresponding figure for 1943 was 347,000,000 bushels. The decrease from the previous year was attributed to reduced feeding.

Distribution

Total domestic disappearance of wheat for the crop year 1943 amounted to 1,233,000,000 bushels divided as follows: 543,000,000 bushels for food, 79,000,000 bushels for seed, 108,000,000 bushels for industrial use, and 503,000,000 bushels for feed. However, in 1943 the imports of wheat amounted to 90,000,000 bushels giving a total disappearance of 1,323,000,000 bushels. For 1942 domestic disappearance amounted to 984,000,000 bushels and consisted of 951,000,000 bushels for domestic consumption and 53,000,000 bushels for export. During the 1942 and 1943 crop years there was a record high domestic disappearance, due to large quantities being used for livestock feed and the production of industrial alcohol.

For 1944-45 it is expected that domestic disappearance will amount to about 998,000,000 bushels, consisting of 550,000,000 bushels for food, 83,000,000 bushels for seed, 90,000,000 bushels for industrial purposes, and 275,000,000 bushels for feed. A substantial increase in United States exports of wheat is anticipated for the current season and it may run over 100,000,000 bushels.

UNITED STATES CEILING PRICES FOR RAW FURS AND PELTRIES

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

The Office of Price Administration has issued Amendment No. 2, effective November 17, 1944, to Maximum Price Regulation No. 541, establishing specific dollar-and-cents ceiling prices for fifteen types of raw furs and peltries.

The new prices are in line with the general level of prices charged during the base period, October 1, 1941, through April 30, 1942, for the same kinds of furs. The specific prices listed are for the best grades. Prices for inferior grades of the same kinds of raw fur are determined by a downward adjustment from the price level in the regulations. The downward adjustments reflect differentials customarily used by the trade during the base period for such inferior goods.

Furs and Peltry Affected

The amendment establishes maximum prices for the sale, purchase or

delivery of the kinds of raw furs or peltries listed below.

The principal Canadian raw furs and peltries affected by the amendment are beaver, muskrat, skunk, Alberta squirrel, weasel and wolf.

Trade Comment

Leading fur authorities are of the opinion that the new raw-fur ceiling prices approximate current market prices and are about what the trade had been expecting. The quotation for wolf is higher than the current market price, while the ceilings on beaver, ringtail cat, opossum and weasel are lower than market levels. The roll-back on beaver is sharp, as the new ceiling price is \$39.50 as against the open-market levels of up to \$55. Recent market prices on weasel of about \$3 compare with the new level of \$1.86.

Schedule of Maximum Prices

		Net Price Per Skin*
Beaver	Best sections, blankets.....	\$39.50
Cats, ringtail	Best sections, No. I or No. I and II	3.25
Fox, gray	Best sections, No. I or No. I and II.....	3.50
Lamb, Persian (including Russian, Afghan and Southwest African) ..	Russian Jacketny No. I and Afghan Standard Kirpook	16.00
Marmot	West Mongolian, blue No. I.....	4.00
Muskrat, Northern (including Jersey) ..	Extra large or extra large and large, No. I or No. I and II, best sections.....	2.30
Muskrat, Southern	Tops	1.77
Nutria	Best sections, at least 50 per cent 75 centimeters and up; balance 70 centimeters and up.....	6.50
Opossum, North American	Extra large or extra large and large, No. I or No. I and II, Northern.....	0.85
Raccoon, coat type.....	Extra large or extra large and large, No. I or No. I and II, best sections.....	3.25
Skunk, North American.....	Extra large or extra large and large, prime, No. I or No. I and II, Northwestern.....	3.50
Squirrel, Russian and North European type	Jakutsky, Lensky or Yeniseisky, No. I.....	1.35
Squirrel, North American	Alberta, No. I or No. I and II.....	0.34
Weasel, North American	Double extra large or double extra large and large, Northwestern (white or brown)	1.86
Wolf	Extra large or extra large and large, No. I or No. I and II, Canadian and Montana.....	12.50

* The maximum prices listed are f.o.b. point of delivery to the buyer, or, if imported, the prices are ex dock United States port of entry, duty paid.

NORTHERN IRELAND PAINT TRADE

By E. L. McCOLL, *Canadian Trade Commissioner at Belfast*

In the pre-war period Northern Ireland's supplies of paint, colours, and varnish were obtained chiefly from the United Kingdom. These were supplemented by some home production and by certain imports from abroad, such as barytes, in pulverized form, from Germany and Greece (as well as from England), and linseed oil from Russia, while the gums and resins used by the trade were obtained from various parts of Africa.

British paint manufacturers are well represented in this territory. Practically all the important firms have either local depots, travellers calling on the trade, or agency arrangements with wholesale merchants who carry large stocks. The imports of paints and varnish and of colours for the three years immediately preceding the outbreak of war were as follows:—

and for camouflage and black-out have been produced, in addition to enamels and undercoatings of various qualities, hard-gloss, ready-mixed oil, washable oil-bound water paints, grey and red oxides for rough paintings, bituminous emulsions and coatings for marine work, rustproof paint, and varnishes.

Raw materials are obtained either direct from the British producer or, if imported, through United Kingdom brokers or agents. South America has replaced Russia as a source of supply of linseed oil, and synthetic products are being used to an increasing extent to replace the resins and gums formerly purchased in Africa.

The wholesale merchants, in addition to being distributors of their own specialties, do an extensive trade in glass, which involves the purchase, cutting, and processing of all types. With

Northern Ireland Imports of Paints, Colours and Varnish

	1936		1937		1938	
	Cwt.	£	Cwt.	£	Cwt.	£
Paints and colours	103,538	156,894	106,613	143,782	104,263	132,232
Varnish	19,215	78,860	17,356	69,448	16,550	66,228

It is expected that the repair work, renovations, and reconstruction likely to follow rapidly on the close of hostilities will result in an unprecedented demand for these goods, and that, if supplies are available, the foregoing figures will be exceeded.

Wartime Conditions

The production and distribution of paint is subject to strict wartime control, and the demand at present is, of course, largely for camouflage and black-out paints. The task of meeting Northern Ireland's needs now devolves almost entirely on domestic manufacturers and United Kingdom suppliers. Three local firms are engaged in turning out these goods and, although figures are not available, there is evidence that large quantities of paints for the marine engineering industry

the exception of certain fancy glass which is made in Glasgow and the Midlands of England, all imports at present are supplied by one large English manufacturer. Chrome colours are strictly controlled. Oxides, ochres, and umbers come directly from Derbyshire, where they are excavated, and oxides of a synthetic nature (by-products of the English iron and smelting trades) have recently been introduced. Research has disclosed that, as greater control can be exercised during their manufacture, they have a stronger shading effect when mixed with other colours and are of a finer consistency. New manufacturing processes for both red and white lead are now being evolved, the general effect of which is to speed up the operation. In the case of stack white lead, the old process, requiring six or seven months, is now being cut down to six or seven days

and is giving very similar results. Zinc white, or lithopone, which is a combination of barium sulphate and zinc oxide, is another by-product purchased from the large smelting companies in Great Britain. Cornwall, in England, is the chief source of supply for china clay, while Ireland's needs in the line of bronze and aluminium powders are being met by Canada.

Post-war Prospects

Clear new colours to replace the black-out, the battle-grey and the camouflage will be one of the first requirements of a country at peace, and leaders in the paint industry in Northern Ireland are already making plans which will enable them to assume the initiative when the trader is no longer restricted by regulations which have been imposed by the exigencies of war.

Arrears of building over the last five years, the replacement of bombed-out areas, the restoration and repainting of many premises whose owners have been forced, on account of their absence or the necessity of assuming more important duties, to neglect them during the emergency, together with

the implementation of the ambitious schemes which the Government has drawn up for housing and public building, are bound to create a wide market for paint of all kinds in the next few years.

The latest tendencies in architecture, particularly the modern insistence on well-lighted rooms, entailing the use of a large proportion of glass, are being carefully appraised, and the trade is following with interest the experimental use of plastic compound and synthetic colours. One of the developments expected is a considerably increased use of bronze and aluminium powders, as their value in priming paints for metal has now been realized. Experiments carried out by one local manufacturer have shown that aluminium powders have given 50 per cent increased durability over the accepted primers, red and white lead, etc., on steel and ironwork.

It is apparent that this industry affords a promising field for development in the post-war period, and there is every indication that the Northern Ireland industrialist is fully aware of the possibilities and is prepared to take advantage of them.

NORTHERN RHODESIA SUPPLY BOARD

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

On August 4 the Northern Rhodesia Government published notices establishing a Supply Board to deal with the question of obtaining civilian requirements. This new Board replaces the organization set up early in 1942, which was the subject of a report published in *Commercial Intelligence Journal* No. 2066 (September 4, 1943).

Constitution of the Board

The new Supply Board comprises: the Economic Secretary (Chairman), the Director of Civil Supplies (Deputy Chairman), the Price Controller, one unofficial member of the Legislative Council, three members to be nominated by the Associated Chambers of

Commerce, one member of the Indian trading community, the Labour Commissioner, and one other member to be nominated by the Governor.

Powers of the Board

The Board may appoint a Committee from among its members, to be vested with such powers as may be necessary for disposing of goods purchased by the Board. In carrying out its work, the Board may require access to the books and accounts of any trade or business in the country and may enter and inspect business premises. The Board's other powers are incorporated in Regulation 9 of Government Notice No. 139, which

provides that the Board shall have power:—

(a) to carry on the business of a general wholesale dealer;

(b) to make contracts and to give and enter into suretyships or guarantees in connection with any part or portion of the business or objects of the Board and to modify or rescind the same;

(c) to purchase, take on lease or in exchange, hire or otherwise acquire any property, movable or immovable, and any rights or privileges which the Board may think necessary or convenient with reference to any of its objects or the acquisition of which may seem calculated to facilitate the realization of any securities held by the Board, or to prevent or diminish any apprehended loss or liability;

(d) to invest and deal with any moneys of the Board not immediately required by the Board upon such securities and in such manner as the Board may think fit, and to vary or realize such investments;

(e) to draw, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments or securities;

(f) to appoint and employ such officers, secretaries, accountants, clerks, and other servants as it may deem requisite, and to dismiss them;

(g) to pay any person in its employ such salary, wages or other remuneration as it may deem fit;

(h) to construct, maintain, alter and improve any buildings, necessary or convenient for the purposes of its business;

(i) to carry on the business of warehousemen, to acquire or construct bonded or other warehouses or stores, and to control, work, manage, let or dispose of the same or any part or parts thereof;

(j) to distribute or otherwise dispose of its profits;

(k) to do all lawful things incidental or conducive to the exercise or enjoyment of the rights, interests and powers conferred upon it by these regulations.

It is provided that every decision or action made or taken by the Board in the exercise of the powers conferred upon it by these regulations which relates to any of the following matters shall only be made or taken subject to the approval of the Government in Council: (a) the construction or acquisition of any buildings; and (b) the distribution or disposal of any profits of the Board. The Board is expected to carry on business without loss or profit other than sufficient levy to cover the expenses it incurs.

The provision of paragraph (a) of Regulation 9, quoted above, shall apply only to goods which have been scheduled; so far the only goods scheduled are cotton piece-goods.

LEATHER TANNING AND BOOT AND SHOE INDUSTRIES IN BRAZIL

By L. S. GLASS, *Commercial Attaché at Rio de Janeiro*

There are in Brazil leather and footwear industries, long and firmly established. These industries are able to supply to a considerable extent the present demands of the market and through wartime conditions have enjoyed a certain export demand.

Raw Materials

In the South Centre and South of Brazil, embracing the States of Minas Gerais, Rio de Janeiro, Sao Paulo, Parana, Rio Grande do Sul and Santa

Catarina, there has been developed an important cattle industry. From this industry the tanneries of Brazil receive their supplies of hides and skins.

It is impossible to obtain reliable statistics of production, as there are no complete records maintained. However, the following figures abstracted from official sources may give an idea of the magnitude of the industry in Brazil.

In 1938 the animal population is given as being: Cattle, 40,076,000; horses, 6,190,000; donkeys and asses, 3,848; swine, 22,496,000; goats, 5,748,000; sheep, 10,615,000 head.

Slaughtering in the same year in government-inspected establishments were: Cattle, 4,271,000; swine, 3,589,000; sheep, 411,000; goats, 428,000 head. There is, without doubt, a very heavy slaughter outside these establishments, but it would be impossible to estimate with any degree of accuracy what this might be.

During 1938 also the production of wet and dry hides was 46,988 tons and 3,310 tons of skins. These figures are indicated as representing the flaying only of animals slaughtered in government-inspected abattoirs. Export figures obtained from another official source serve to indicate the discrepancy between the figures just above and the actual production.

Total exports are given as follows: Green salted hides, 41,521 tons; dry hides, 10,107; a total of 51,628 tons, being nearly 5,000 tons more than the total registered production of Brazil. Besides the export of hides there were also exported 1,729 tons of goat and kid skins, 665 tons of sheep skins and a very small amount of pig skins.

Tanning Industry

In 1938 there were registered in Brazil 221 tanneries having a reported production value of 155,000 contos (about Can.\$8,500,000). Unfortunately, quantitative figures are not available. However, exports during 1938 were valued at 1,179 contos (approximately Can.\$64,845), which represents, say, one seventh of production. Volume of exports in 1938 was 423 tons, which would make total production very roughly 55,000 tons.

The slaughtering of calves is not permitted in Brazil and as a result calf leathers are imported in considerable quantities from abroad. Imports in 1938 were as follows: Suede, buck, chamois, etc., 12 tons; upper leathers (mostly calf), 102 tons; n.o.p., including patent leather, 34 tons. The imports in 1937 were greater, being

respectively 21 tons, 186 tons and 12 tons.

Following are brief notes on the most important classes of leather produced in Brazil:—

Kip.—Local production is practically sufficient for the market, but small amounts are imported.

Buckskin.—Local production is of inferior quality; as a result, a relatively small but good market exists for this quality leather.

Splits.—Local production is ample for all purposes and excellent leather is produced from both splits and whole sides.

Kid.—Local production is ample for all requirements, except for the very finest of glove leathers.

Suede.—The remarks on buckskin apply also to suede.

Sole Leather.—Local production is generally of inferior to poor quality, but there is some production of exceptionally high quality. Very little, if any, sole leather is imported.

Welting.—Local production is excellent and ample.

Belting.—Local production is good and ample.

Harness.—Local production is excellent and ample.

Upholstery.—Local production has improved greatly during recent years, but there still remains a small demand for high-grade imported material.

Boot and Shoe Industry

It is reported that in 1938 there were 7,184 establishments engaged in the production of footwear of all kinds, including rubber footwear, gaiters and shoes of textile fabrics. The number of such factories in 1944 has been given as 7,203.

Detailed statistics of production are not available, but in 1938 there were made 37,259,000 pairs of riding boots, boots and shoes, slippers and sandals and rubber and rubber-soled shoes. From information available this might be broken down roughly as follows: Riding boots, 40,000 pairs; boots and shoes, 19,699,000 pairs; slippers and

sandals, 15,000,000 pairs; rubbers, 20,000 pairs; rubber-soled footwear, 2,500,000 pairs. It should be noted, however, that no breakdown can possibly be made as regards materials used in the manufacture of boots and shoes.

Although nothing is available as regards statistics, there has been undoubtedly a very great increase in the production of boots and shoes in Brazil. A comparison of the production of boots and shoes with the population of Brazil shows that there is one pair for every two of the population and as regards slippers and sandals a little more than one pair for every three of the population. On the face of it this would suggest a huge market for boots and shoes in Brazil. However, the fact is that a great many Brazilians go bare-foot, while many more possess only the wooden shoes, or rather a wooden sole with a strap over the instep, commonly called "tamancos".

Since the war began the price of shoes has increased enormously and there was the consequent likelihood of a decline in the use of shoes by the marginal element in shoe-wearing population. To avoid this and to encourage the use of shoes, the Government decreed that manufacturers must all make a popular-priced line and all retailers must stock it. This popular-priced line is made to sell at Cr.\$40.00 of \$2 per pair, retail. These shoes, sold at this government-fixed price, are supposed to net the manufacturer little or no profit. They are intended to be considered as the manufacturers' sacrifice contribution to the welfare of Brazil. The retailer similarly handles these on a non-profit basis, as he has to pay the manufacturer Cr.\$39.00 per pair, thus having a margin for handling expenses of Cr.\$1.00 (\$0.05) per pair. To insure thorough distribution of the "popular footwear", each retailer must take 10 per cent of his purchases in these shoes.

Imports

In 1938 imports of leather boots and shoes into Brazil amounted to

1,867 kilograms and were valued at 160 contos or less than \$900. During the same year 17,126 kilograms of boots and shoes of rubber, including rubber-soled shoes, valued at 460 contos or \$2,300, were imported. These figures represent a continuation of a regular diminution in imports which had been in evidence for some years. In 1940, it is reported, total imports were 5,303 kilograms, of which more than 4,000 kilograms were rubber or rubber-soled shoes.

The import trade in boots and shoes can hardly be called commercial. Small as it is statistically, commercially it is even smaller, since a very considerable proportion of total imports is accounted for by goods brought in by individuals returning to Brazil after a visit to North America or Europe. Rubber-soled footwear forms an exception to this statement but the imports of this class also are diminishing rapidly in the face of a growing industry in Brazil, which is producing a product of very good quality.

Exports

Exports of leather boots and shoes from Brazil amounted in 1937 to 19 tons valued at approximately \$17,000 and in 1938 to 18 tons at approximately \$11,000. Exports of boots and shoes of rubber in these years were respectively 1,000 kilograms at \$700 and 3,000 kilograms at \$1,250. The values of total exports are given as 230 contos or approximately \$11,500 in 1939, a little less in 1940, and 1,600 contos or approximately \$80,000 in 1941. More recent figures are not available, but it is known that exports have been increasing to various South American countries and some shipments of rubber and rubber-soled footwear have been made on an experimental basis to the United States.

It seems unlikely, however, taking all factors into account, that Brazil will continue to be an export factor after the war. The Brazilian industry has developed along the lines of small custom shoemakers rather than a centralized industry. As already men-

tioned, there are over 7,000 establishments in Brazil. In the State of Sao Paulo, where nearly 50 per cent of the production is concentrated, there are 620 establishments employing 10,500 workers or an average of less than 17 hands per factory. There are also located in Sao Paulo four of the largest factories in Brazil, employing approximately one quarter of the total capital invested in the boot and shoe industry of that state.

Furthermore, Brazil does not possess all the raw materials necessary to build up an export trade. It has been pointed out that Brazil is not a producer of calfskins and, on the whole, a quantity but not quality producer of sole leather. The fact that the "popular" non-profit shoes cannot be sold at less than \$2 per pair would also indicate that Brazil would have difficulty in meeting competition in export markets.

CORRESPONDENCE WITH BELGIUM AND GREECE

Notices were issued on November 22, 1944, by the Secretary of State of Canada under and by virtue of the provisions of the Revised Regulations Respecting Trading with the Enemy (1943), permitting persons residing in Canada to communicate with and receive communications from persons residing in liberated areas of Belgium and on the Greek Mainland and

Islands, excepting Macedonia, Thrace and Crete, by non-illustrated postcards with respect to personal and business matters. Such correspondence is limited to the exchange of facts and information. No actual trading is permitted. Resumption of this mail service became effective for both areas as from November 23, 1944.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 102, effective November 30, 1944, Group 1 of the Schedule of Commodities is amended by the deletion of the classification "feed screenings", previously listed, and the substitution therefor of the following item: "All screenings of grain or flax seed (whole or ground)", so that export permits are now required for all grades of feed screenings.

Note.—Exporters are advised that The Canadian Wheat Board is authorized to issue export permits covering screenings and that applications for the exportation of all grades thereof should accordingly be directed to: The Canadian Wheat Board, 423 Main Street, Winnipeg, Manitoba.

Cyprus

DUTIES INCREASED ON COSMETICS

Mr. C. S. Burrill, Office of the Canadian Trade Commissioner at Cairo,

writes under date November 1 that, by Law No. 32 of 1944, published in the *Cyprus Gazette* of October 12 and with effect from the previous day, the import duty in Cyprus on perfumery and perfumed spirits, cosmetics, hair oil, hair dyes and wash, pomades, and toilet powder has been increased to 60 per cent ad valorem preferential tariff, applicable to British Empire products, and to 100 per cent general tariff, applicable to non-Empire products. The former rates were respectively 45 and 60 per cent.

Palestine

WEIGHTS AND MEASURES ORDINANCE 1944

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, writes under date July 7, 1944, that by the "Weights and Measures Ordinance 1944", effective July 1, 1944, the metric system of weights and measures shall be used in Palestine for the purpose of all transactions entered into by any Department of the Government or any municipal or local council.

SUBSCRIPTION RATES

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FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 27, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 27, 1944, and for the week ending Monday, November 20, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 20	Nominal Quotations in Montreal Week ending Nov. 27	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2762	.2761	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana Dollar	1.0138	9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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FINANCIAL ASPECTS OF CANADA'S POST-WAR EXPORT TRADE

By C. D. BLYTH, *Chief, International Payments Branch, Dominion Bureau of Statistics*

After the war Canada's exports will continue to be closely affected by exchange and other financial conditions. When the volume of Canadian war production is reduced, both the size and composition of Canadian exports will undergo marked changes. War production has constituted a major part of exports during the war. The financial arrangements which have made this huge wartime movement of commodities possible have also distinct wartime aspects, and the Canadian balance of payments may be expected to present generally a different appearance after the war.

Now that the end of the European war is coming in sight, some glimpses are possible of the kind of conditions likely to be experienced, and some of the characteristics of Canada's bal-

ance of payments in the early post-war years are becoming sufficiently discernible to warrant discussion. While much of the detailed pattern of the Canadian balance of payments will be finally influenced by Canadian decisions and Canadian enterprise, there will be other factors imposed by the general background in the world at large and by other nations trading with us.

As the general international background is a primary determining influence, it merits discussion first. The basic significance of the general background is essentially simple, just as is the outline of our balance of payments. It is only when details of the structure and relationships are examined that these questions become more involved.

14 1944

Long-term International Objectives

The nature of the general conditions of trade which we may experience during a transitional period following the war may be indicated by a brief outline of the goal to which the United Nations are directing their plans to re-establish eventually an international economy. The proposals agreed upon by experts at Bretton Woods for an international monetary fund and a bank for reconstruction and development have as an objective the restoration of international trade on a multilateral basis, as contrasted with the narrowing constrictive aspects of a world in which trade is determined by bilateral arrangements. Under conditions of multilateralism nations are free to spend their external income in the countries of their choice, as currencies may be exchanged readily. To assist in the restoration of such conditions the international monetary plan, for example, would set up a fund of international credit upon which member nations could draw to meet temporary disequilibrium in their accounts.

Similarly, it has been announced on various occasions as an objective of the United Nations that there should be a general reduction in trade barriers. This, too, would provide a further step necessary for the restoration of a freely functioning international economy.

Canada has a special interest in the re-establishment of a system of multilateral trade of the kind which the monetary plan has set up as an objective, because of the structure of the Canadian balance of payments. Canada has customarily a balance of credits from current account transactions with Empire countries and normally a current deficit from transactions with the United States. Before the war, when sterling was convertible, Canada was able to sell sterling income in order to meet current and capital obligations in the United States. A multilateral system in which triangular trade settlements of this kind are made possible by the free convertibility of

different currencies is an ideal background for a country in Canada's situation. But it must be recognized that a system of this kind is an objective which will take time to reach.

Problems of Transitional Years

An organization intended to provide credit facilities for short-term disequilibrium is not designed to provide credit facilities of the kind which will be required after the war by some of the belligerent nations, whose economies have been seriously distorted and impaired by the war. For this reason the monetary plan would permit member nations during the post-war transitional period to "maintain and adapt to changing circumstances restrictions on payments and transfers for current international transactions".

Conditions during this transitional period will not permit, therefore, the immediate introduction of a freely functioning world system. There will be too many special transitional problems which will prevent the immediate working of any ideal scheme. The nations whose economies have been impaired during the war will have to undergo drastic readjustments, and special credit arrangements will also be necessary to provide for the abnormal needs which may be anticipated during this period.

Many of the countries of Europe and Asia have suffered serious damage from enemy occupation. Apart from the physical destruction experienced, there has also been widespread interference with the basic economic relationships of these countries.

Nor is the dislocation limited to the economies of countries which have been occupied by the enemy. Other countries have undergone basic changes in their international financial position as a result of the war. The United Kingdom, for example, has liquidated a large volume of its external assets in order to finance its war expenditures abroad. In addition to this loss of foreign assets and income, there has been an exceedingly large British short-term debt acquired through the ac-

cumulation during the war of sterling balances by other nations.

The transitional years hold no promise of easy readjustments. New problems, almost as challenging as those which have been successfully overcome during the war, will be confronted. These will have to be considered in relation to financial perspectives which have been broadened by the war, as well as in relation to pre-war experience. The size of different elements in our international accounts before the war does, however, provide some basis for judgment, as does our wartime experience which has opened up new vistas. As during the war, the costs incurred during the transitional period will have to be considered in relation to long-term objectives.

Balance of Payments with Empire Countries

Because of the problems of the transitional period, it is probable that sterling will not be freely convertible for a period after the war. If this proves to be the case, there must continue to be some special financial provisions for meeting the difficulties which this situation creates in Canada's international accounts. This inconvertibility of sterling, which first occurred at the beginning of the war, has required that close attention be given to the balance of all payments between Canada and the sterling area, since a means of settling the balance must be provided for.

For a period of years before the war Canada consistently had credit balances on current account with both the United Kingdom and other Empire countries. In the three pre-war years the current account balance with Empire countries averaged about \$169 million a year. It was possible to convert this sterling income freely into United States dollars or other currencies which were required by Canada in meeting its various current liabilities abroad.

The principal factor contributing to these large current account balances with Empire countries was, of course,

our export trade with the United Kingdom and other parts of the Empire. This trade has been traditionally very important, providing as it does an outlet for many of the surplus commodities which Canada is well adapted to produce, particularly in the field of agricultural and other primary commodities. In the three pre-war years exports to Empire countries averaged about \$457 million.

The war has resulted in the flow of Canadian commodities to British destinations increasing to an unprecedented volume. A large part of the war production of the Dominion has been for British account. The great expansion in agricultural production also has been mainly to provide the United Kingdom with food, some of which was formerly obtained from other countries. The financial problems which have accompanied this contribution by Canada to the war were successfully met by a series of specially-designed financial measures which have been part of the wartime financial background of the Dominion. It is only necessary to review these briefly.

Outstanding among these measures have been Canada's billion-dollar contribution and the Mutual Aid program of the latter years of the war. The appropriations for these two forms of aid to all countries total \$2,800 million. During the earlier years the repatriation of Canadian securities from the United Kingdom totalling about \$700 million, and the accumulation of sterling balances later converted into the \$700-million-dollar loan to the United Kingdom, were among the prominent methods employed in balancing Canada's accounts with the United Kingdom. An important contributing factor has also been the high level of overseas war expenditures of the Dominion Government in connection with the Canadian forces operating abroad. Other wartime factors have also contributed to the successful financing of the record level of exports during the war.

Some indication of the size of the balance-of-payments problems during the war is given by the balance on cur-

rent account between Canada and Empire countries. In 1942 this amounted to \$1,269 million and in 1943 to \$1,216 million. It should be noted that these balances on current account are the net balances after the Canadian war expenditures overseas are taken into account and that these were particularly heavy in 1943. This record size of Canada's balance of payments with the sterling area during the war, of course, is a distinctly wartime phenomenon, reflecting as it does the financing of an all-out contribution of munitions and other commodities for the common cause.

When abnormal wartime demands subside, it is logical to expect that exports of Canadian commodities to the United Kingdom will decline sharply from the wartime peak, which includes such a large amount of munitions. There is the probability, however, that there will continue to be heavy British demands for some Canadian commodities, and the prospects are that British requirements for Canadian commodities during the transitional period will remain at a higher level than before the war. But a high level of exports will be the main contributing factor to a large credit balance on current account with the United Kingdom, for exports are the predominant item in the accounts.

While Canada will continue to make payments of interest and dividends on the remaining British investments in Canada, the total of these payments will be much lower than before the war because of the repatriation of securities formerly held in the United Kingdom. There have also customarily been Canadian payments for British services of various kinds. Wartime changes obscure the trend of some of these payments; but it is not likely in any case that they will be a particularly substantial factor in offsetting the high level of exports, because of their limited volume.

The probable size of Canadian imports from the United Kingdom is more difficult to predict. Owing to the development of industries in Canada during the war, Canadian needs for imported goods of many types will be

less than before the war. At least partly offsetting this factor, which would tend to reduce Canadian imports, is the general probability that the national income after the war will be at a considerably higher level than before the war. If this is the case, there should be larger Canadian demands for some British goods, particularly those in the quality class, which will be bought by a larger number of consumers than formerly. Canadian demands for British industrial equipment may also be heavy.

The size of payments by Canada for British goods and services will be very significant, for, if payments for goods or services are expanded, there will be a smaller current account balance to be settled by other means. In other words, under conditions of inconvertibility of exchange where bilateral balances must be settled, the amount which remains to be financed by some special means will be reduced if Canada purchases more British goods, obtains more British transportation services or more British commercial and financial services, or if Canadians travel more in British countries. The larger the purchase of British goods or services, the larger will be the volume of Canadian exchange which will be available to provide a means of settlement for Canadian exports, and the smaller will be the remaining balance which must be settled or financed by capital or other means.

While it would be hazardous to predict what the size of the current account balance with Empire countries is likely to be after the war, it would be difficult to visualize balances which were not at least larger than the annual average of \$169 million in the three years before the war, if for no other reason than the British loss of some sources of Canadian income. If the levels of Canadian exports anticipated by many were reached, the net balances on current account would be much greater than before the war. Even then, the current account balance would be very much lower than during the latter years of the war and would reflect a sharp contraction in exports from their wartime levels.

Balance of Payments with Non-Empire Countries

So far attention has been given to the prospects for our balance of payments with the sterling area. Our commercial and financial relations with the rest of the world, however, will have distinct characteristics and a separate significance as well. For, if sterling should be inconvertible for an extended period, Canada's balance of payments with the rest of the world will have to continue to be regarded as a separate compartment of the total balance of payments.

There will be a large group of countries with which transactions will be on a normal cash basis. Trade with the United States, and with Central and South America and some of the countries of Western Europe, will certainly be of this kind; and it is likely that demands during the transitional years from European countries particularly will be at high levels.

Of course, exports to some European and Asiatic countries whose economies have been dislocated by the war can only be contemplated if some credit facilities are provided during the transitional years.

In the case of the balance of payments with the United States, it is very likely that there will be at least moderate deficits on current account, just as there were consistently before the war. Under the less favourable sets of circumstances which could occur, these deficits might be quite substantial, particularly if there were wide variations in the levels of economic activity on this continent.

Early in the war the deficits on current account were swollen to an abnormal size by the heavy Canadian demands for capital equipment. Raw materials and components which were procurable only in the United States and which were essential for the development of Canada's war production program. In the three years before the war Canada's deficit on current account with the United States alone ranged from \$77 million in 1937 to \$149 million in 1938. The current deficit expanded to a record level of

\$318 million in 1941 but declined sharply after that, mainly as a result of the sale of munitions and other war products to the United States, which resulted from the Hyde Park agreements. Other factors alleviating the shortage of United States dollars on current account in 1943 and 1944 have been the extraordinarily heavy sales of wheat and other grain to the United States, due to temporary shortages in that country, and the high level of expenditures by the United States Government on the Alaska Highway, Canol and other activities in Northern Canada. These special war-time sources of United States dollars may be expected to have terminated by the end of the war.

It would only be under exceptional conditions that there would not be a current account deficit with the United States in the immediate post-war years, since Canadian imports from the United States are likely to be substantial in relation to Canadian exports to the United States once the production of durable goods for civilian purposes on this continent has been resumed. The range of United States commodities normally purchased by Canada is very wide. There seem, however, to be more limitations to the range of Canadian commodities for which permanent markets in the United States are likely to exist than in the case of Canadian imports from the United States. Nevertheless, the prospects are good for exports of many Canadian commodities to the United States, such as newsprint, lumber and other wood products, if the national income of the United States should continue at higher levels than before the war. There would be an additional adverse factor if gold production does not regain its pre-war level for some time.

Net payments of interest and dividends to the United States after the war may also be higher than before the war, as there has been an increase in United States holdings of Canadian securities, arising chiefly from the heavy demand for Canadian bonds in the United States. At the same time

Canadian holdings of United States securities have decreased.

This prospect of a current account deficit with the United States points to the need for other sources of convertible exchange as well, since the deficits would otherwise either have to be met from Canada's liquid reserves or by other imports of capital. Canada's export trade to areas like Central and South America and to certain European countries should contribute a considerable amount of the needed exchange, for the likelihood is that Canadian commodities will be required to a greater extent than before the war in a number of these nations with convertible exchange which have been traditional markets for Canadian goods. Trade of this kind should be an important contributing factor in alleviating the prospective current account deficits with the United States. The extent to which convertible exchange originates from trade with these countries will depend partly upon the degree of success reached in the efforts for exchange and monetary stabilization.

Summary

This brief summary of the outlook for certain aspects of Canada's balance of payments points to the close relationship which there will be between the balance of payments and trade with different countries and areas, if some of the currency problems which have been experienced during the war continue to exist for a period after it ends. Exchange and financial factors will continue to be associated with our export trade.

During the transitional years special credit facilities will have to be provided in order to finance exports to some countries which have been devastated by the war or which have suffered serious economic dislocation. The amount of such credit facilities required will be related closely to the volume of exports to these countries. As it will also be affected by the amount of Canadian expenditures in the same countries for merchandise and services or for investment, the extent of Canadian payments to these countries will be very important.

In short, the larger Canadian purchases of merchandise and other expenditures are in countries like the sterling area, the smaller will be the shortage of Canadian dollars in these countries, and consequently the less will be the amount of other means of financing which will have to be arranged.

The new export credits insurance legislation has been designed to provide some of the credit facilities which, it appears, will be required to meet the special needs of the transitional years. While the total amount of credit that will eventually be required during the period of transition to meet all the potential needs may appear relatively large, its proportions should be judged in relation to longer-term trade objectives.

Because of the nature of our balance of payments, it may also be necessary to encourage exports to other countries which can provide exchange for meeting Canada's own current needs for convertible exchange, arising principally from imports of merchandise from the United States but also from payments of interest and dividends, and payments for transportation and other services and capital obligations in that country.

During the transitional period far-sighted and bold approaches will be necessary to overcome the potential obstacles which seem to loom large at present, for, unless these obstacles are overcome, there is the prospect that much of the productive resources of Canada will not be fully employed. The special significance of exports to the Canadian economy has often been demonstrated.

A level of exports after the war much higher than before the war would seem an attainable and desirable objective for Canada, even though this requires the provision of considerable amounts of credit during the transitional period. It will, in fact, be an essential element in the maintenance of a high level of employment, for possibly no other generating factor is so well adapted to the existing structure of the Canadian economy.

SOUTH AFRICAN INDUSTRIAL POLICY

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

At the opening of the Annual Convention of the South African Federated Chamber of Industries on October 17, the South African Minister of Economic Development issued a statement of government policy in regard to South African industrial development.

General Principles

It is an essential part of the policy of the South African Government that there should be the greatest development of manufacturing industry compatible with a simultaneous expansion of other branches of the country's life, and the ultimate objective must be that South African industry should be able to stand on its own merits, both in regard to quality and cost, against fair overseas competition.

The Minister stated that it would not be desirable nor practicable, if South Africa were to be a party to any system for freer international trade, to give manufacturers indiscriminate protection by means of tariffs or other purely restrictive methods. Assistance to and protection of industry must be designed to encourage its establishment and development in the national interest, and also to shield industry from competitive factors, such as dumping, over which it has no control, and to ensure that industry does not use such protection to avoid reaching the highest possible level of efficiency.

The Board of Trade and Industry is conducting a detailed examination of the general industrial position and, when that report is available, probably early in the New Year, it should be possible to lay down some more detailed plans for industrial development, but the Minister stated that in the meantime the following general principles are to be followed:—

1. The principle of protecting industry would be maintained either by means of the customs tariff or by such

other means as the Government may desire from time to time.

2. The Government would aim to keep this protection as low as possible, consistent with the essential needs of the protected industry and the interests of other branches of the economy of the country.

3. Protection would be accorded on a selective basis and would be subject to regular investigation to ensure attainment of efficiency.

Present Application

Continuing on the subject of general principles, the Minister stated that the Government proposes to work along the following lines:

1. Import control was never contemplated as a means of protecting industry, but it would be retained during the period of readjustment or while there might be any shipping or supplies shortage. During this time preference would be given to shipment of machinery and raw materials needed for industry as well as to consumer goods not produced in the Union.

2. The requirements of all government departments, including the railways and harbours, would continue to be filled from South African sources as far as possible, and corporations in which the Government holds a controlling interest would be required to follow the same line.

3. Machinery would be set up to screen all government requirements in order to ensure that the fullest use is made of South African industry, to direct the placing of contracts where they would assist most in maintaining employment, and to inspect and insist on the maintenance of standards of quality.

4. Every effort would be made to assist South African manufacturers to export, especially to neighbouring and other African territories.

Related Developments

The Minister then discussed a number of contributory developments which may be summarized briefly as follows:—

An inquiry into the effectiveness of anti-dumping legislation is near completion, and the necessary steps would be taken to avoid undue delay in dealing with dumping and other forms of disruptive competition.

The Government would not tolerate practices designed to increase profits by restriction of production or sale under private monopolistic arrangements, and in this connection price supervision would be maintained to ensure that margins of profit do not exceed reasonable levels.

The Government of South Africa plans to co-operate with other governments in efforts to secure orderly production and disposal at economic prices

of products subject to periodical world surpluses.

The Government will take steps to strengthen its technical organization to enable it to take a more active part in assisting or advising in the reorganization, development and planning of existing and new industries.

The Government intends to proceed with the Standards Bill to establish a National Standards Bureau and create the necessary machinery for setting up standards for commodities, processes and practices.

A national organization for research would be set up to assist, encourage and promote industrial and other research.

Consideration is being given to the revision of the system of taxation.

The Government hopes to establish a suitable central organization to forecast intelligently the requirements of the future and to ensure that the policies and procedures of the various government departments do not conflict.

NEW ZEALAND PRODUCTION

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

Statistics of New Zealand production for the year 1943-44 have recently been published.

Pastoral

Owing to serious shortages of manpower and fertilizer supplies, New Zealand production of butterfat, meat, wool, wheat, and oats has declined appreciably in the past year or two. However in the annual report (1943-

44) of the Department of Agriculture the Director-General expresses the opinion that the structure of primary industries is sound and that their position will be re-established within a few years.

Comparative figures of production during the war years and the five-year period preceding the war are shown in the accompanying tables.

New Zealand Live-stock Production

Season	Estimated Total Production		
	Butterfat: Year	Meat: Year	Wool: Year
	ended July 31	ended Sept. 30	ended June 30
	Figures in Long Tons		
Av. 1934-35 to 1938-39	185,000	470,000*	134,000
1939-40	185,400	535,000†	138,000
1940-41	200,400	515,000†	148,000
1941-42	188,700	535,000†	154,000
1942-43	174,700	537,000	152,000
1943-44 (forecast)	166,000	486,000	147,000
Av. 1939-40 to 1943-44	183,000	522,000	148,000

* Three seasons only, ended June 30.

† Estimated.

New Zealand Cash Crops: Acres in Crop

Season	Areas Threshed				Commercial Areas Outside Boroughs			Total
	Wheat	Oats	Barley	Maize	Peas and Beans	Potatoes	Onions	
Av. 1934-35 to 1938-39	214,200	63,400	22,400	6,900	19,100	21,900	800	348,700
1939-40	257,500	49,800	25,300	7,000	21,400	20,000	800	382,800
1940-41	243,200	71,700	32,000	10,800	35,100	17,000	900	410,700
1941-42	258,000	70,800	36,000	8,800	31,300	15,200	800	420,900
1942-43	287,000	56,300	28,600	7,300	33,300	23,900	1,000	437,400
1943-44 (forecast)	246,000	48,400	32,800	7,000	47,500	27,000	1,000	409,700
Av. 1939-40 to 1943-44	258,300	59,400	31,000	8,400	33,700	20,600	900	412,300

The adverse influences of manpower and fertilizer difficulties, to which may be added generally poor climatic conditions, had a particular effect on butterfat and meat production. The report states that conditions resulted in heavy killings of capital stock during 1942 and 1943 and a reversal of this tendency in the 1943-44 season. The dairy industry was especially vulnerable to the effects of less productive pastures and shortage of labour for milking.

The production program for the 1944-45 season calls for increases all round. The objective for butterfat is 180,000 tons, and for meat an over-all increase of 10 per cent. Larger crops of grain, seed and pulse are aimed at, and every effort is being made to supplement the local requirements of fresh vegetables. New Zealand has accepted the heavy responsibility of maintaining and increasing the supply of foodstuffs to the United Kingdom and to the armed forces in the Pacific. Greater shipments of fertilizer to this country are to be effected, and the necessary supply of labour to the farms is assured by the release of men from the forces for that purpose.

Wheat and Flour

The production of wheat during 1943-44 totalled 9,819,342 bushels and was harvested from 286,998 acres. This represents the heaviest crop since 1933, when 11,054,972 bushels were produced from 302,531 acres—an average of 36.54 bushels per acre.

Production during the five war years is recorded at 42,506,000 bushels as against 33,568,000 bushels for the previous five years.

As usual, Australian wheat was required to supplement local production. In the past season 2,166,752 bushels were purchased from this source, about half of which was required for poultry feed.

Including Australian wheat, the New Zealand Wheat and Flour Controller handled 10,224,610 bushels, from which 182,482 tons of flour and meal were disposed of.

New Zealand's objective is still to sow 300,000 acres of wheat, in order to be independent of outside sources. Every encouragement is given farmers to increase their acreages, and to this end the price to be paid for 1944-45 wheat has been increased from 6s. 2d. to 6s. 6d. per bushel.

Linen Flax

Production during 1943-44 from the seventeen factories now in operation was over 1,900 tons of line fibre and 1,150 tons of tow, making a total of over 4,000 tons of line fibre and 2,200 tons of tow made available to Great Britain and local manufacturers since the industry was re-established early in the war.

The area sown to flax in the 1943-44 season totalled 9,615 acres, a substantial decrease from the 21,849 acres sown in the previous season and mainly the result of a large carry-over from the 1942-43 crop. The estimated production for 1943-44 is 12,342 tons.

The problems confronting the linen flax industry, associated with the growing of the required quality and texture and the development of a larger local market, are being closely studied. Some concern, however, is being felt for the future. Present indications are that the prospects are not bright.

Tobacco

Despite difficulties, mainly associated with labour, the tobacco-growing industry has maintained production at a high level throughout the war years. Statistics covering the past five seasons are given below.

production next year will show a further increase.

Scheelite.—Production in 1943 showed a marked increase over that of preceding years. In all 116 tons, of 65 per cent tungstic acid content, was produced as against 70½ tons of

New Zealand Tobacco Production

Season	Growers No.	Area Licensed	Production Lb.
		Ac.	
1938-39	342	2,225	1,423,610
1939-40	339	2,570	2,217,040
1940-41	381	2,963	3,143,355
1941-42	381	3,063	2,721,539
1942-43	360	2,960	3,185,183

Minerals

The following information is from the annual statement on the mining industry of New Zealand, which has recently been published:—

Gold.—Publication of gold production statistics, which was suspended during 1941 and 1942, is now resumed.

similar grade in 1942. New discoveries of scheelite in other parts of the world, and the development of existing mines, have resulted in a much weakened demand for the New Zealand product.

Mercury.—Three tons 3 cwt. were produced in 1943 from the one mine in operation.

New Zealand Gold Production

	1941 Oz.	1942 Oz.	1943 Oz.
Quartz mining	68,214	65,486	57,870
Alluvial mining	12,383	9,674	6,759
Dredge mining	94,059	90,826	84,521
Total	174,656	165,986	149,150

Silver.—During 1943, a total of 280,786 ounces of silver was produced as compared with 311,360 ounces in 1942 and 378,331 ounces in 1941.

Coal.—Throughout the war years the coal-mining industry has had many difficulties to contend with. Apart from stoppages and go-slow periods, increased demands for coal, particularly from industry and railways, combined with a reduction in the quantities available from Australia, have caused serious shortages, resulting in restricted rail service and gas production. New Zealand production during 1943 achieved the record figure of 2,787,868 tons, an increase of 107,827 tons, or 4 per cent, on the 1942 output. There has been a steady increase in production since 1939. By the adoption of open-cast methods, it is expected that

Manganese.—Production reached 500 tons, all of which was shipped to the United States. Although the tonnage available is limited, the ore is of excellent grade.

Asbestos.—Certain deposits have been in process of examination and development for some time. Operations in 1943 produced 188 tons of fibre.

Mica.—Fair quantities of commercial mica have been located. Difficulties of operation are being overcome, and it is hoped to begin production on a limited scale shortly.

Talc.—An output of 62 tons is recorded for 1943. So far deposits have proved too small to permit of sustained production.

Phosphate.—Owing to the great need for fertilizers, operations have been

carried on to uncover and produce more phosphate. Production in 1943 totalled some 9,241 tons of rock.

Serpentine.—This mineral is also of great importance as an agent to fertilization. Total production in 1943 was some 59,445 tons.

Magnesite.—As a fertilizer for tobacco growers, some 171 tons were produced.

Dolomite.—Production amounted to 3,571 tons.

Limestone.—A record production of 752,603 tons was attained.

TRADE OF TRINIDAD IN 1943

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

II. Imports from Canada

In 1943 the value of imports from Canada reached an all-time high of \$18,782,823. The previous record figure of \$18,067,184 in 1941 was achieved through Canada being able to meet heavy diversion demands, arising from the war, for manufactured products formerly imported from continental sources, the United Kingdom and, in some instances, from the United States, whose hard currency at that time had resulted in severe restrictions being placed on imports from that particular source. As will be observed from the table below, imports of manufactured goods from Canada in 1941 reached the record value of \$10,003,282.

The peak figure in 1943, however, was the result of a steady annual increase in the value of foodstuffs, imports of which for years have been obtained from Canada and which in 1943 reached the record value of \$10,525,175.

Meanwhile the imports of manufactured goods from Canada have dropped steadily since 1941 through curtailment of production for export, and the slack has been taken up largely by supplies from the United States.

It is important to recognize, however, that the present trade trend in

manufactured goods from the United States is as abnormal, and as unlikely to be sustained under normal commercial conditions, as the heavy diversion to Canada in 1941.

What is important is that, as a result of the war, the British West Indies importers have found in Canada a source of supply of something more than foodstuffs, and that at last the Dominion has been able to enter the market for manufactured goods, a very necessary development for the expansion of Canadian trade in the British West Indian markets.

Total values of imports from Canada into Trinidad, together with values for each of the three main commodity groups, for the years 1938 to 1943, are shown in the table below.

Foodstuffs

Following are comparative values of those foodstuff items imported from Canada which showed noteworthy increases in value in 1943 as compared with 1942: Dried beans and peas, \$178,447 (\$37,102 in 1942); flour, \$3,308,704 (\$2,298,712); cornmeal, \$111,059 (\$49,774); bran and pollards, \$38,214 (\$10); commercial mixed feeds, grain, \$180,349 (\$123,114);

Imports into Trinidad from Canada

	Total Imports	Foodstuffs	Manufactures	Semi- manufactures
1943	\$18,782,823	\$10,525,175	\$ 7,720,541	\$ 537,107
1942	16,189,983	7,468,221	8,136,772	484,990
1941	18,067,184	6,996,895	10,003,282	1,066,977
1940	9,626,638	4,252,459	4,561,080	812,393
1939	5,039,903	2,566,342	1,990,907	480,588
1938	4,229,815	2,101,768	1,761,463	363,202

meals, \$179,128 (\$50,181); fresh beef, \$42,278 (nil); canned meat, \$51,766 (\$11,784); butter, \$81,023 (\$49,460); condensed milk, \$2,344,763 (\$1,633,587); onions, \$88,019 (\$32,406); potatoes, \$309,828 (\$208,870); beer, \$667,475 (\$108,432); whisky, \$27,888 (\$4,937); provisions n.o.p., \$866,178 (\$480,422).

There were decreases in the imports of cheese, codfish, and canned fish.

Manufactured Products

Pre-war imports from Canada of small steel products, nails, metal furniture, tubing, motor cars, lumber, paper products, paints, cement, proprietary medicines, and certain types of wearing apparel, such as silk hosiery, rubber footwear, and cotton shirts and undershirts, had been well established. While certain items, such as silk hosiery and rubber footwear, have practically disappeared from the market at present, there is no reason why all these products will not find a ready sale in Trinidad in post-war years.

In addition the war years have established a trade in wearing apparel and textiles, as shown by the accompanying table, which well may be carried into the competitive post-war period.

Trinidad Imports of Textiles and Wearing Apparel from Canada

	1938	1941	1942	1943
White bleached cottons	\$ 319	\$ 72,525	\$ 86,709	\$ 70,771
Printed cottons .....	.....	336,944	549,428	481,745
Coloured cottons, dyed in the piece	56	248,147	234,822	110,222
Made-up cottons	384	50,772	152,628	26,588
Leather boots and shoes	14,210	488,881	914,167	746,072
Hats and caps	1,739	106,482	256,776	351,704
Cotton shirts	45,552	198,307	333,641	356,384
Artificial silk piece-goods	368	446,388	580,413	271,734

Despite the decreased imports of a wide range of manufactured products from Canada, a number of items showed increases in 1943, chief among which were the following: Glass bottles, \$65,790 (\$4,883 in 1942); cement, \$451,970 (\$131,633); sewing-machines, \$96,409 (\$32,289); cordage over ¼-inch, \$31,426 (\$6,623); proprietary medicines, \$273,062 (\$219,425); barytes, \$482,075 (\$134,310); laundry soap, hard, \$90,096 (\$19,357); toilet soap,

\$199,350 (\$126,293); printing paper, \$121,096 (\$65,317); wrapping paper, \$271,846 (\$40,133); paper bags, \$159,068 (\$64,180).

Details of Imports of Interest to Canada

The following are details of imports which Canada supplied to a value of \$5,000 and over, comparative values for 1942 being shown within parentheses:—

FOOD AND FEEDSTUFFS

Oats.—Total, 31,260 cwt., \$132,860 (45,400 cwt., \$160,806): Canada, 30,591 cwt., \$129,926 (45,400 cwt., \$160,806).

Grain, Other Sorts.—Total, 1,619 cwt., \$13,236 (2,573 cwt., \$7,301): Argentina, \$3,277; Canada, 1,205 cwt., \$9,959 (1,584 cwt., \$6,074).

Dried Beans and Peas, Other Sorts.—Total, 40,761 cwt., \$419,833 (21,975 cwt., \$226,083): Argentina, \$127,246; Chile, \$32,429; United States, \$25,271; Canada, 18,580 cwt., \$178,447 (3,574 cwt., \$37,102).

Wheat Flour.—Total, 711,299 cwt., \$3,308,758 (597,127 cwt., \$2,301,893): Canada, 711,295 cwt., \$3,308,704 (596,321 cwt., \$2,298,712).

Corrmeal.—Total, 21,438 cwt., \$111,077 (9,212 cwt., \$49,901): Canada, 21,434 cwt., \$111,059 (9,168 cwt., \$49,774).

Other Manufactured Cereals n.o.p.—Total, 13,066 cwt., \$210,456 (10,895 cwt., \$174,772): Canada, 12,452 cwt., \$194,892 (10,546 cwt., \$166,064).

Bran and Pollard.—Total, 592 ton, \$44,233 (327 ton, \$17,159): United States, \$6,019; Canada, 518 ton, \$38,214 (¼ ton, \$10).

Commercial Mixed Feeding-stuffs (Grains).—Total, 1,846 ton, \$181,050 (1,388 ton, \$123,114): Canada, 1,840 ton, \$180,349 (1,388 ton, \$123,114).

Commercial Mixed Feeding-stuffs (Meals).—Total, 772 ton, \$181,694 (510 ton, \$50,269): Canada, 747 ton, \$179,128 (509 ton, \$50,181).

Commercial Mixed Feeding-stuffs (Hay).—Total, 127 ton, \$19,511 (62 ton, \$6,091): Canada, 124 ton, \$19,308 (62 ton, \$6,091).

Feeding-stuffs for Animals n.o.p.—Total, 126 ton, \$12,089 (107 ton, \$12,345): Canada, 114 ton, \$11,291 (59 ton, \$6,982).

Beef and Veal, Fresh.—Total, 4,725 cwt., \$214,918 (2,694 cwt., \$60,033): United States, \$168,066; Canada, 1,041 cwt., \$42,278 (Nil).

Mutton and Lamb, Fresh.—Total, 659 cwt., \$32,143 (810 cwt., \$17,881): United States, \$26,602; Canada, 162 cwt., \$5,526 (Nil).

Pickled or Salted Pork.—Total, 26,589 cwt., \$486,886 (43,309 cwt., \$740,978): Argentina, \$14,911; United States, \$214,103; Canada, 15,231 cwt., \$242,626 (15,945 cwt., \$248,859).

Bacon and Ham.—Total, 13,122 cwt., \$439,463 (13,499 cwt., \$414,600): Argentina, \$385,782; United States, \$5,517; Brazil, \$24,210; Canada, 427 cwt., \$23,954 (1,602 cwt., \$76,995).

Pickled or Salted Meats n.o.p.—Total 545 cwt., \$17,907; (345 cwt., \$10,960): Canada, 396 cwt., \$12,962 (315 cwt., \$9,965).

Canned Meats, Other Sorts.—Total, 9,198 cwt., \$375,829 (25,430 cwt., \$927,066): Argentina, \$174,797; United States, \$146,354; Canada, 1,059 cwt., \$51,766 (2,358 cwt., \$123,148).

Butter.—Total, 18,928 cwt., \$902,473 (17,203 cwt., \$729,224): Australia, \$228,225; New Zealand, \$28,026; Argentina, \$563,452; Canada, 1,396 cwt., \$81,023 (744 cwt., \$49,460).

Cheese.—Total, 999 cwt., \$36,258 (7,836 cwt., \$281,016): Argentina, \$15,563; Venezuela, \$5,818; Canada, 309 cwt., \$12,043 (6,350 cwt., \$299,016).

Milk, Condensed (containing not less than 8 per cent Butter Fat).—Total, 109,173 cwt., \$2,625,620 (81,901 cwt., \$1,783,725): Argentina, \$10,289; United States, \$270,568; Canada, 102,144 cwt., \$2,344,763 (73,592 cwt., \$1,633,587).

Onions.—Total, 46,128 bu., \$173,453 (52,106 bu., \$149,490): Argentina, \$85,409; Canada, 22,937 bu., \$88,019 (9,456 bu., \$32,406).

Potatoes.—Total, 46,226 cwt., \$315,989 (45,135 cwt., \$22,404): United States, \$6,161; Canada, 45,438 cwt., \$309,828 (42,926 cwt., \$208,870).

Beer.—Total, 14,219 bbl. (of 36 gal. each) \$947,424 (5,088 bbl., \$322,822): Great Britain, \$257,853; United States, \$22,096; Canada, 9,705 bbl., \$667,475 (1,622 bbl., \$108,432).

Cocoa, Confectionery.—Total, 463 cwt., \$22,686 (65 cwt., \$3,234): Canada, 448 cwt., \$21,698 (18 cwt., \$788).

Cocoa, Other Sorts.—Total, 1,232 cwt., \$31,788 (818 cwt., \$18,970): Canada, 1,155 cwt., \$29,292 (608 cwt., \$13,193).

Whisky.—Total, 14,104 proof gal., \$144,665 (13,835 gal., \$146,347): Great Britain, \$116,756; Canada, 3,110 gal., \$27,888 (862 gal., \$4,937).

Cordials and Liqueurs, Other Sorts.—Total, 2,307 liquid gal., \$48,661 (4,676 liquid gal., \$42,158): Great Britain, \$28,737; Canada, 878 liquid gal., \$19,369 (642 gal., \$13,190).

Biscuits, Sweetened.—Total, 966 cwt., \$39,948 (6 cwt., \$160): British West Indies, \$10,162; Canada, 714 cwt., \$29,156 (Nil).

Codfish, Cured or Salted.—Total, 21,860 cwt., \$471,305 (28,605 cwt., \$536,908): Newfoundland, \$171,402; Canada, 13,632 cwt., \$299,903 (20,051 cwt., \$396,800).

Other Fish, Cured or Salted.—Total, 14,883 cwt., \$267,811 (19,724 cwt., \$317,737): Newfoundland, \$6,404; Venezuela, \$104,044; Canada, 9,339 cwt., \$157,363 (14,182 cwt., \$229,246).

Canned Fish.—Total, 15,193 cwt., \$433,002 (18,642 cwt., \$496,909): Venezuela, \$124,576; Argentina, \$5,538; Canada, 13,165 cwt., \$300,700 (13,439 cwt., \$339,019).

Canned Fruit.—Total, 776 cwt., \$17,894 (300 cwt., \$6,175): Canada, 723 cwt., \$16,203 (144 cwt., \$3,203).

Jams and Jellies.—Total, 873 cwt., \$21,720 (293 cwt., \$7,092): British West Indies, \$11,436; Canada, 405 cwt., \$9,964 (178 cwt., \$4,007).

Mustard.—Total, 226 cwt., \$8,627 (231 cwt., \$9,103): Canada, 224 cwt., \$8,453 (219 cwt., \$8,082).

Pickles and Sauces n.o.p.—Total, 213 cwt., \$7,222 (512 gal., \$1,051): Canada, 178 cwt., \$5,955 (493 gal., \$1,015).

Glucose.—Total, 243 cwt., \$12,031 (49 cwt., \$1,894): Canada, 215 cwt., \$10,926 (39 cwt., \$1,415).

Vegetables, Canned or Preserved.—Total, 2,697 cwt., \$52,731 (1,377 cwt., \$19,164): United States, \$5,636; Canada, 2,434 cwt., \$47,009 (979 cwt., \$13,912).

Vinegar.—Total, 11,377 gal., \$14,727 (10,952 gal., \$13,402): Canada, 11,101 gal., \$14,595 (8,848 gal., \$12,163).

Yeast.—Total, 1,940 cwt., \$74,936 (1,751 cwt., \$41,259): United States, \$69,068; Canada, 222 cwt., \$5,868 (184 cwt., \$3,761).

Preparations and Provision for use as Food n.o.p.—Total, \$1,239,612 (\$861,266): Great Britain, \$8,403; South Africa, \$15,270; United States, \$344,006; Canada, \$866,178 (\$480,422).

Tobacco, Unmanufactured Leaf.—Total, 1,358,269 lb., \$439,037 (\$39,996 lb., \$292,321): United States, \$88,861; Canada, 1,071,327 lb., \$350,176 (614,782 lb., \$200,888).

Cigarettes, Manufactured in the Empire.—Total, 109,988 lb., \$260,704 (9,381 lb., \$18,787): Great Britain, \$242,769; Canada, 11,574 lb., \$17,935 (8,687 lb., \$17,366).

CANADA'S EXTERNAL TRADE IN OCTOBER

Canada's external trade, excluding gold, in October was valued at \$478,500,000 as compared with \$425,795,000 in October, 1943, an increase of 12.4 per cent. For the first ten months of the current year the aggregate value was \$4,385,541,000 as against \$3,839,870,000 in the similar period of the preceding year, an advance of 14.2 per cent.

Commodity exports in October were valued at \$313,962,000 as compared with \$259,808,000 in October, 1943, an advance of 20.8 per cent. For the ten months ended October the value of merchandise exported was \$2,860,583,000 as against \$2,378,992,000 for the same period of 1943, an increase of 20.2 per cent.

A minor decline was recorded in the value of Canada's merchandise imports in October, the total being \$160,050,000 as compared with \$162,921,000 for the corresponding month of last year. For the first ten months of the current year the aggregate value was \$1,490,065,000 as against \$1,439,894,000 for the similar period of 1943, an advance of 3.5 per cent.

The United States supplied the bulk of the imports in October with a valuation of \$121,389,000 as compared with \$134,470,000 in October of last year, and for the ten months ending October of \$1,228,194,000 as against \$1,181,232,000 for the 1943 period. October imports from the United Kingdom were valued at \$18,086,000 as compared with \$13,294,000 for the same month in 1943 and \$90,067,000 for the

first ten months as against \$113,595,000 for the 1943 period.

Other leading sources of supply of imports in October were as follows, totals for October, 1943, being shown within parentheses: British India, \$3,015,000 (\$1,290,000); Australia, \$2,466,000 (\$2,966,000); Colombia, \$2,039,000 (\$618,000); Jamaica, \$1,890,000 (\$768,000); Venezuela, \$1,859,000 (\$572,000); New Zealand, \$1,687,000 (\$1,842,000); Barbados, \$1,438,000 (\$443,000).

The following were among the chief commodities imported in October, values for October, 1943, being shown within parentheses: fruits, \$5,436,000 (\$4,353,000); vegetable oils, \$1,264,000 (\$520,000); coffee and chicory, \$1,120,000 (\$794,000); tea, \$1,529,000 (\$708,000); furs, \$1,314,000 (\$950,000); cotton, \$7,029,000 (\$7,232,000); flax, hemp and jute, \$1,726,000 (\$1,104,000); wool, \$6,886,000 (\$6,009,000); rolling-mill products, \$5,449,000 (\$5,277,000).

Statistical Summary

A tabular statement showing Canada's exports in October by principal countries and commodities was published in *Commercial Intelligence Journal* No. 2130 (November 25, 1944), page 494. The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic imports (excluding gold) by principal countries and commodities for the month of October and ten months ended October, 1944, and 1943:—

Imports by Principal Countries

	Month of October		Ten Months ended October	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	160,050	162,921	1,490,065	1,439,894
Empire countries	31,736	22,843	184,423	197,922
British East Africa	59	1	830	964
British South Africa	575	272	4,231	2,398
Southern Rhodesia	51	55	267	1,044
British West Africa	744	50	3,506	2,306
Bermuda .....	....	7	478	25
British India	3,015	1,290	24,285	13,375
Ceylon	336	69	3,648	5,388
British Guiana	557	760	6,648	6,409
Barbados	1,438	443	7,124	3,662

Imports by Principal Countries—Con.

	Month of October		Ten Months ended October	
	1944	1943	1944	1943
	Thousands of Dollars			
Jamaica	1,890	768	11,601	7,800
Trinidad and Tobago	74	5	936	528
British West Indies, other	81	41	953	569
Newfoundland	667	723	7,797	6,104
Australia	2,466	2,966	10,458	9,443
Fiji .....	....	5	2,575	2,300
New Zealand	1,687	1,842	7,713	20,276
United Kingdom	18,086	13,294	90,067	113,595
Foreign countries	128,314	140,078	1,305,642	1,241,972
United States	121,389	134,470	1,228,194	1,181,232
Argentina	547	362	8,324	8,547
Brazil	334	412	6,324	3,362
Chile	147	49	596	569
Colombia	2,039	618	11,697	2,377
Costa Rica	37	29	1,301	1,487
Cuba	261	1,023	3,801	8,090
Ecuador	3	16	374	245
Egypt	1	....	143	57
Guatemala	7	70	2,647	949
Haiti	25	39	2,061	598
Honduras	170	31	925	148
Mexico	751	1,005	10,914	10,644
Netherlands West Indies .....	....	....	508	976
Paraguay	11	16	203	531
Peru	11	....	89	692
Portugal	69	34	1,064	342
Salvador	22	87	2,416	1,166
San Domingo	15	21	3,879	77
Spain	246	12	2,203	681
Switzerland	118	342	3,795	3,347
Uruguay	38	49	243	540
Venezuela	1,859	572	11,227	4,953

Imports by Principal Commodities

Total imports	160,050	162,921	1,490,065	1,439,894
Agricultural products	18,873	13,325	181,409	140,908
Fruits	5,436	4,353	52,045	37,690
Nuts	993	143	10,309	1,719
Vegetables	552	260	13,397	12,338
Grains and products	888	678	10,213	7,473
Oils, vegetable	1,264	520	9,692	10,613
Cocoa and chocolate	528	32	3,661	2,045
Coffee and chicory	1,120	794	13,032	6,540
Spices	100	52	776	955
Tea	1,529	708	11,407	9,501
Alcoholic beverages	452	316	4,076	3,209
Gums and resins	183	221	2,819	2,509
Seeds	143	116	1,354	1,569
Tobacco	182	119	1,370	903
Animal products	3,456	2,728	29,124	30,781
Fishery products	157	98	2,474	2,006
Furs (chiefly raw)	1,314	950	8,337	6,909
Hides, raw	481	216	3,891	5,456
Leather, unmanufactured	346	290	2,396	2,797
Leather, manufactured	253	220	2,206	2,723
Meats	80	44	1,398	2,041
Fibres and textiles	20,032	17,672	156,840	161,729
Cotton	7,029	7,232	74,264	70,404
Raw, and linters	2,474	2,995	31,261	25,196
Yarn	786	1,005	6,676	8,346
Fabrics	3,159	2,895	31,542	32,994
Flax, hemp and jute	1,726	1,104	15,520	12,911
Fabrics, flax and hemp	151	162	1,106	1,843
Fabrics, of jute	920	497	10,015	6,937
Silk	147	95	1,311	1,120
Fabrics	144	91	1,268	1,070
Wool	6,886	6,009	32,089	48,135
Raw wool	1,890	2,814	10,166	22,623
Noils and tops	1,317	316	5,293	6,066

Imports by Principal Commodities—Con.

	Month of October 1944	1943	Ten Months ended October 1944	1943
	Thousands of Dollars			
Yarn	767	591	3,058	3,804
Worsted and serges	1,280	1,355	6,428	8,307
Wood and paper	4,501	3,425	36,203	33,467
Wood, unmanufactured	602	486	5,295	4,861
Planks and boards	309	286	2,580	2,559
Wood, manufactured	728	462	5,769	5,019
Paper	1,229	917	10,020	8,732
Books and printed matter	1,942	1,560	15,118	14,855
Iron and products	36,969	41,696	367,675	350,314
Pigs, ingots, blooms and billets	152	499	1,757	10,903
Castings and forgings	674	804	5,965	7,318
Rolling-mill products	5,449	5,277	42,700	57,570
Pipes and tubes	572	956	4,691	7,055
Engines and boilers	5,311	8,344	56,128	37,971
Farm implements	3,594	2,487	35,222	16,809
Hardware and cutlery	400	380	3,524	3,401
Machinery (except agricultural)	5,352	7,149	67,971	91,005
Stamped and coated products	191	153	1,399	1,348
Tools	672	1,045	7,388	9,372
Vehicles	8,408	7,926	81,718	57,049
Non-ferrous metals	8,000	10,449	91,781	95,090
Precious metals	152	92	1,046	1,247
Clocks and watches	220	381	4,070	3,532
Electrical apparatus	4,149	4,409	50,756	39,595
Non-metallic minerals	27,539	24,030	228,173	207,110
Clay products	1,732	1,194	10,177	11,360
Coal	10,604	10,566	95,297	82,628
Coke	805	963	8,315	8,991
Glass and glassware	1,713	875	11,381	8,931
Petroleum products	10,413	7,962	83,303	74,917
Stone and products	1,073	1,055	9,052	9,226
Chemicals	7,086	5,998	68,307	58,187
Acids	248	376	2,566	3,693
Cellulose products	477	423	4,093	4,032
Drugs and medicines	737	648	6,243	6,158
Dyeing and tanning materials	612	584	5,828	6,224
Fertilizers	301	370	3,572	3,087
Paints and varnishes	756	555	6,277	5,083
Inorganic chemicals	1,201	1,226	10,389	10,579
Soda and compounds	484	437	3,898	3,811
*Miscellaneous commodities	33,594	43,598	330,554	362,308
Amusement and sporting goods	262	102	1,729	837
Personal and household equipment	637	317	4,385	3,304
Refrigerators and parts	10	19	99	131
Musical instruments	59	29	435	408
Scientific equipment	824	920	7,143	7,971
Vehicles, n.o.p. (except iron)	5,217	13,938	55,890	54,164

* Includes certain military stores.

MEXICAN DEVELOPMENT

From *The Economist*

The war has advanced Mexico's industries greatly. For the first time the country has its own blast furnaces, tin-plate and sheet mills. The steel industry has doubled. Chemicals are made in more than 100 factories, large and small, established since 1942. Wool, leather and textiles are being exported. Dehydration plants multiply. Recently manufacturing has been contributing some 1½ million pesos to Mexico's yearly production as com-

pared with about 700 million pesos from agriculture and another 700 million from mining.

New foreign capital has gone into these industries. A year ago it was arriving at the rate of some \$600,000 weekly; between October, 1940, and February, 1943, it totalled some \$100 million. Commercial deposits nearly trebled in three years. Investments have centred mostly in the industrial areas, including Monterrey, Guadalajara, Tampico, Veracruz, Cordoba, Merida, Puebla, and, of course, boom-

ing Mexico City. The new money has been helping to finance lumber, mining, shoe manufacturing, construction companies, swanky night clubs, magazines and business papers, homes, apartments, and expansion and improvements in previously established Mexican firms.

To-morrow's investments will concentrate on Mexico's two greatest needs; better land-use and transportation. Industries now rest on a crumbling agriculture. The land and its use are the country's greatest weakness and greatest potential strength. If Mexico masters her Good Earth, she may move far toward self-sufficiency. If she fails, she faces only trouble. Her two major post-war tasks are greatly to increase acreage yields and to get supplies and labour to the farms and take crops out—which means roads and railways. In some states 64 per cent of all communities can to-day be reached only by mule trails unfit even for ox-carts. Though Mexico is larger than Germany, France, Spain, and Italy combined, she will never till more than one-eighth of her total area. And even this will require millions in investment for reservoirs, hydro-electric dams and plants, irrigation canals, drainage ditches and the clearing of immense jungles. In 1930 only some 56,000 square miles of the country was fit for ploughing, and of this only 3.6 per cent was tilled—an area a little larger than Eire, some 17½ million acres. This cropland might support Mexico's people fairly well, were the peasants not bound to Stone Age methods of farming. But their primitive techniques have combined with the land's ill-distributed rainfall and depleted soils to create what may easily become a major land crisis.

The peon, a notorious soil robber, has for generations used the crudest tools of his ancestors to plant tiny patches of corn and beans year after year. Soil conservation and machinery are new and strange to him. Mexican farmers have mostly worked the pleasant central plateau, to which they are biologically adapted. To-day the

central states hold about 45 per cent of all Mexico's farmers but only 15 per cent of the total available cropland. Bad farming on exhausted land has led to steadily dwindling crop yields.

Inadequate financing and equipment, small holdings that cannot be profitably mechanized, and primitive farming have combined to perpetuate agricultural decay. To offset some of these disadvantages, the Government has recently been redistributing acreage formerly controlled by large landowners under the "ejidal" system, which provides grants of land to villages for family or collective use. The Government has been hoping to bring much irrigable land under cultivation. Late in 1943 about 10 per cent of cultivated land was irrigated. By 1946 Mexicans hope to have 2½ million acres irrigated, thus bringing closer to reality the hopes expressed by President Camacho: "The future of our agriculture lies in the fertile land along the coasts. The displacement of our population toward the coasts will relieve the congestion of the central plateau, which has been exhausted by the colonial policy of abandonment to the traditional maize farming of the Indians".

To this end, the Government has in view some of the best lands on the West Coast. To-day this area's only important irrigation system is around the Angostura Dam in northern Sonora, which can irrigate some 140,000 hectares, chiefly benefiting the important Yaqui Valley. Other projects are planned to irrigate cotton land in Lower California, a valley along the Rio Fuerte which is potentially capable of rivalling the Imperial Valley over the border, and the rich Lanuna Valley.

All this will help. But land reclamation must be accompanied by a revolution in transportation, which has all but broken down. Since the time of Diaz, who built 18,640 kilometres of railroad during his 30-year reign, Mexico has added only some 700-odd kilometres to her main lines. The potential wealth of some of her richest states lies untouched and almost un-

known for lack of rails. Mexican experts estimate that for every peso invested in the railroad industry up to 1900 some 13 pesos were added to the total public wealth. To bring every spot within 40 kilometres of a railway, the country must have at least 50,000 kilometres of main-line tracks. Re-

habilitation has begun, but on an insignificant scale—recently the Federal Government provided some 350,000 pesos to recondition rights-of-way and rolling stock on its Kansas City, Mexico and Orient Railway, connecting Chihuahua and Sonora, and linking with American railroads at the border.

DOLLAR BALANCES OF LATIN AMERICA

From The Times Trade and Engineering

According to official sources in Washington, the total value of exports from the United States to Latin American countries in 1943 amounted to U.S.\$819,000,000, while that of imports into the United States from Latin America was U.S.\$1,310,000,000. These figures showed increases of 14 per cent and 34 per cent respectively on the corresponding totals for 1942 and 74 per cent and 150 per cent on the average annual values recorded for the period 1935 to 1939.

Latin America's net favourable balance of trade against the United States in 1943 was U.S.\$491,000,000, after U.S.\$271,000,000 in 1942. In normal times the balance was favourable to the United States. About 60 per cent of United States exports to Latin America for 1943 (by value) were destined for Mexico, Brazil, and Cuba, while 75 per cent of United States imports from Latin America were supplied by Cuba, Brazil, Mexico, Argentina, and Chile.

There can be little doubt that the direction of Latin America's overseas trade after the war will, at least to some extent, be influenced by foreign investments, particularly in local industries. It is noteworthy that, out of the total value of U.S.\$128,000,000 of lend-lease materials shipped to Latin America by the United States, Brazil's share was U.S.\$73,000,000. According to published figures, the total of United States investments in Brazil at the end of 1943 amounted to U.S.\$337,242,000, compared with the equivalent of U.S.\$951,063,000 of British capital.

The investment of United States capital in Brazil has been intensified since 1929, when it amounted to only U.S.\$193,606,000. An analysis of the total of United States capital invested in Brazil in 1940, which was recorded at U.S.\$240,110,000, shows that it was distributed mainly as follows: public utilities and transport, U.S.\$112,451,000; industry, U.S.\$69,386,000; oil companies, U.S.\$30,717,000; and distributing trade, U.S.\$17,875,000.

AIR MAIL SERVICE TO SOUTH AFRICA

The Post Office Department advises that, for speedy delivery, air mail letters addressed to South Africa should be routed via the Miami-West Africa Service. Postage is 75 cents per half-ounce. Air Letter Forms and Air-

graphs may be used for short messages, the postal rate being 10 cents each for Air Letter Forms, and 5 cents each for Airgraphs. Air Letter Forms may not be registered, and no enclosures are permitted.

CONTROL OF EXPORTS FROM CANADA

LIST OF COMMODITIES EXEMPTED FROM EXPORT PERMIT REQUIREMENTS

It was recently announced by the Honourable James A. MacKinnon, Minister of Trade and Commerce, that a considerable number of commodities will be deleted from the Export Permit Regulations as from December 11, 1944. The effect of this action will be to exempt such commodities from the requirement of an export permit when shipped to the British Empire or to the United States.

In addition, various other commodities, valued at \$25 and \$100, or less, are exempted from requiring an export permit when shipped to the British Empire or to the United States. Rubber and rubber products, valued at \$5 or less, are also exempted from export permit requirement when shipped to any destination.

These exemptions have been concurred in by the Wartime Prices and Trade Board and the Wartime Industries Control Board, the Minister explained, and are in accordance with the policy of the Department of Trade and Commerce to relax export permit restrictions as soon as a firm trend toward progressive improvement in the general supply position became evident. Since many commodities are now in plentiful supply and adequate for Canada's requirements, it has been deemed advisable to release such items for shipment to specified destinations without requiring exporters to secure an export permit.

By Export Permit Branch Order No. 103, effective December 11, 1944, the Export Permit Regulations are amended as follows:—

1. The commodities listed hereunder are deleted from the Schedule of Commodities, so that export permits are no longer required therefor, except as provided by Clause 5 of the Export Permit Regulations of May 1, 1944:—

Group 2: Animals and Animal Products—
Furs and fur skins.

Group 3: Fibres, Textiles and Textile Products—

Feather manufactures.
Felt base floor coverings.

Group 4: Wood, Wood Products and Paper—
Balsa and manufactures.

Barrels, kegs, casks and other similar containers of wood.

Cooperage stock: barrel heading, hoops and staves, in the rough or manufactured.

Pails and tubs of wood.

Paper and board manufactures, excepting facial tissues, sanitary pads, cellophane, toilet paper, paper towels and paper bags.

Teakwood: Boards, planks, logs and scantling.

Group 5: Iron and Steel (including Alloy Steel) and their Products—

Iron ore and concentrates.

Pig iron.

Automobile tire-service equipment and parts.

Blanks for tool bits.

Bolts, nuts, screws, rivets and washers.

Cranes.

Derricks.

Dredging machinery.

Dredging machinery parts.

Electrical conduit.

Elevators, freight and passenger and parts therefor.

Fence posts.

Flax machines of all kinds.

Hoists.

Laundry and dry-cleaning equipment and parts.

Machinery and parts, n.o.p., over \$25 in value.

Metal and wood-working machine tools and machinery, other manufacturing machinery and parts, including:

Drilling and boring machines (horizontal and vertical).

Grinding machines.

Lathes.

Melting or casting furnaces and machines.

Milling machines.

Planers.

Presses (hydraulic and mechanical).

Reamers.

Shapers and slotters.

Bits and drills of all descriptions.

Broaching machines.

Die machines.

Dies.

Draw benches.

Engraving machines.

Forging machines.

Gear cutters.

Hobs.

Honing machines.

Jigs.

Jib-boring machines.

Lapping machines.

Group 5—Metal and wood-working—*Con.*

- Milling cutters.
- Machine tools, portable or non-portable.
- Machine-tool fixtures.
- Rolling-mill machinery.
- Stamping machines.
- Taps.
- Thread millers.
- Tools incorporating industrial diamonds.
- Welding sets.
- Wire-drawing machines.
- Used or rebuilt machine tools of any description.
- Oil-well drilling machinery and parts, including petroleum and gas-well equipment and parts.
- Petroleum refining machinery, equipment and parts.
- Plastic moulding machines and presses.
- Precision instruments:
 - Gauges.
 - Balancing machines.
 - Testing machines.
 - Measuring machines.
- Pumps, hydraulic, except for domestic use.

Group 6: Non-Ferrous Metals and Their Products—

- Aluminium: Aluminium ores and concentrates, refined metal and alloys semi-fabricated and fabricated, scrap, salts and compounds, paint and inks containing aluminium in any form.
- Cerium: Cerium metal, alloys, salts and compounds, and manufactures.
- Columbium: Columbium ores and concentrates, metal and alloys (including ferro-columbium).
- Magnesium: Magnesium ores and concentrates, metal and alloys semi-fabricated and fabricated, scrap, salts and compounds.
- Mercury: Mercury ores and concentrates, metallic mercury, salts and compounds.
- Silicon: Silicon metal and alloys (including ferro-silicon).
- Selenium and Tellurium: Selenium and tellurium residues, metal, salts and compounds.
- Strontium: Strontium ores, salts and compounds.
- Thorium manufactures (including incandescent mantles).
- Zirconium: Zirconium ores and concentrates, metal and alloys (including ferro-zirconium), sand, salts and compounds.

Group 7: Non-Metallic Minerals and Their Products—

- Carbon electrodes.
- Carbon brushes and stock, carbon stoppers, lighting carbons and carbon products, n.o.p.
- Clays, not further manufactured than ground.
- Cryolite: Cryolite, natural or artificial.
- Gas, helium.
- Glass, all kinds, except lamp chimneys, over \$50 in value.
- Limestone, ground.

Group 7: Non-Metallic Minerals—*Con.*

- Lime, n.o.p.
- Pyrites, iron.

Group 8: Chemical and Allied Products—

- Calcium chloride.
- Coal and pine pitch, burgundy pitch, and coal and pine tar.
- Cosmetics.
- Glycerin.
- Nitric acid.
- Perfumery.
- Proprietary medicinal products, packaged for retail sale and in bulk form.
- Soda ash (sodium carbonate).
- Toilet preparations.

Group 9: Miscellaneous—

- Bags, physicians', tool, duffle and sports; musical instruments cases.
- Luggage, all kinds, n.o.p., except all-leather-covered luggage, cases and bags.
- Binoculars.
- Brushes.
- Buttons and parts, other than metal.
- Microscopes and accessories.
- Musical instruments, parts and accessories, except phonographs and record players.
- Navigation instruments.
- Optical elements.
- Pencils, all kinds, including mechanical.
- Photographic and projection apparatus and supplies.
- Recording instruments, n.o.p.
- Rifles, revolvers and pistols, .22 calibre and smaller.
- Scientific and professional instruments, apparatus and supplies.
- Shotguns.
- Tachometers.
- Telescopes.
- Umbrellas and umbrella frames.

2. The commodities listed hereunder are exempted from requiring an export permit for shipments valued at \$25 or less, when consigned to the British Empire or to the United States:

Group 2: Animals and Animal Products—

- Candles.
- Feathers, including down, in natural state or processed.
- Waxes, animal, including admixtures.

Group 3: Fibres, Textiles and Textile Products—

- All fibres, textiles and textile products, except cotton pulp and cotton pulp-board, and oakum.

Group 5: Iron and Steel (including Alloy Steel) and their Products—

- Agricultural implements and machinery.
- Bicycles.
- Enamel ware of iron or steel.
- Fasteners, dome, snap, zipper, or other.
- Furniture of metal.
- Hollow-ware, flatware, utensils and containers, of iron or steel, coated or not.
- Metal drums and similar containers, unfilled, new or used.
- Scales, balances and weights.

Group 8: Chemical and Allied Products—

Casein glue.

Fatty acids produced from vegetable oils under export control.

Fatty acids and oils, sulphated and sulphonated.

Glue, n.o.p.

Paints, varnishes and inks:

Paints, bituminous, liquid and plastic.

Paints, other, liquid.

Paints, kalsomine or cold-water, dry.

Varnishes.

Lacquers.

Japans.

Oil finish.

Wood fillers.

Driers, metallic, liquid or not.

Putty.

Thinners for nitrocellulose lacquers or paints.

Ink, shoemakers', printing, rotogravure and writing.

Polishes, automobile, metal and shoe.

Polishes, wax, floor, wood and furniture.

Soap, all kinds.

Turpentine.

3. The commodities listed hereunder are exempted from requiring an export permit for shipments valued at

\$100, or less, when consigned to the British Empire or to the United States:—

Group 4: Wood, Wood Products and Paper—

Box shooks.

Paper and paper products, except waste paper.

Pulp boards, all kinds.

Group 5: Iron and Steel (including Alloy Steel) and their Products—

Lamps and lanterns.

Safes and vaults, and equipment and parts therefor.

Group 7: Non-Metallic Minerals and their Products—

Abrasives: Abrasive wheels of emery, corundum and garnet; artificial abrasives, crude and in grains; grindstones of natural and of artificial abrasives; sand-paper and other abrasive paper and cloth; other natural and artificial abrasives; hones and whetstones.

4. Rubber and rubber products are deleted from the commodities listed in Clause 6 of the Export Permit Regulations of May 1, 1944, so that export permits are no longer required for shipments thereof valued at \$5, or less.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more.

SUBSCRIPTION RATES

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Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 4, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 4, 1944, and for the week ending Monday, November 27, 1944, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 27	Nominal Quotations in Montreal Week ending Dec. 4	Official Bank Rate
Great Britain	Pound	4.866			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2761	.2758	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia	Peso	.9733	.6358	.6351	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.6016	.6016	—
South Africa	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

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Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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- C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

- R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

- C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

- W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

- Cape Town:* J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

- Johannesburg:* H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

- London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

- London:* J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

- London:* W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

- London:* Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

- Liverpool:* A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

- Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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UNITED KINGDOM TRADE CONTROL POLICY

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

The plans of the United Kingdom Government with regard to the relaxation of controls after the war are a matter of interest not only to firms in the United Kingdom but also to traders in Canada and elsewhere who formerly transacted business with this country.

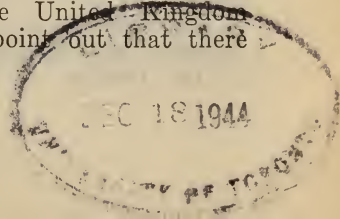
The Government has recently published a White Paper dealing with policy in connection with the regulation of trade during the interim period between the defeat of Germany and the defeat of Japan.

It is assumed that the interim period is likely to be one of severe readjustment; many difficult problems will arise and many complicating interests will need to be reconciled. Industry itself will be the subject of considerable changes. The production required for carrying on the war against Japan

must be fully maintained, but this will permit of a substantial reduction in munitions and equipment for the armed forces. Within the reduced total there will be changes of emphasis as between different products. Manufacturers who will wish to re-start as soon as possible their civilian production in preparation for post-war trade must, according to the White Paper, expect to find their activities restricted, in some cases severely, depending upon the importance of the product and the extent of the resources available.

Relaxation of Controls

As has been previously reported, a start must be made with restoring export trade. The United Kingdom authorities also point out that there



must be a great expansion in building activity, especially for rehousing purposes. It must further be made possible to turn over some productive capacity to the production of civilian goods which in normal times are regarded as sheer necessities but of which in the past few years the country has, because of needs of war production, had to go short. It is added that much of the United Kingdom's industry is in need of re-equipment if it is to produce efficiently in the post-war period. The task will be to ensure that the nation's limited resources are concentrated first upon those munitions required for the Armed Forces and secondly upon those products which are most important to national recovery and to an improvement in the standards not only of those

people who can pay the highest prices but of the community as a whole.

The White Paper makes it clear that a continuance of control of trade and labour will be necessary at least until the defeat of Japan. In an accompanying statement the Prime Minister stated that many of the wartime controls of raw materials, industrial capacity, agriculture, food, transport, etc., will likewise be as necessary in the period between the defeat of Germany and the fall of Japan as they are today. The Prime Minister also emphasized that, in making decisions on specific points, "theoretical, ideological or partisan tendencies should be excluded, and the governing consideration in every way would be the public interest."

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

13. CANNED FRUITS AND VEGETABLES

Prepared in the General Manufactures Branch, Dominion Bureau of Statistics

When fresh foods are preserved by sterilization in hermetically sealed containers, they are said to be canned. Appert, a Paris chef, originated canning, and his method was to place sealed bottles containing the food in a water bath and then bring the water to the boiling point.

Although this method differs from modern canning processes mainly in the intensity of heat used and the way in which it is applied, until about 1895 canners believed erroneously that preservation was due only to the exclusion of air from the container. Experimental work carried on that year in the United States, and based on the results of Pasteur's work on fermentation, demonstrated the fallacy of the air exclusion theory, and placed canning on a scientific basis. Since that time intensive studies have been made of the bacterial flora associated with food, and thermal death points (i.e. the time temperature treatments of bacteria) have been accurately determined.

The development of the canned foods industry has effected a great change in the relation of foods to seasons.

Fruits and vegetables of many kinds are obtainable at all times of the year, not always with all the flavour of the freshly gathered products, but with much of their original freshness and flavour. The producers in the country are provided with an enormously extended market for their products and the consumers in both city and country with cheap and wholesome food in great variety.

Growth in Canada

Canneries of fruits and vegetables appeared on the Canadian scene at a late date as compared with fish canneries, due to several factors. It was necessary, for example, for the pressure cooker and an improved tin can to be developed before large-scale commercial production could become feasible. Also of importance, in the sense of having a delaying action, was the rural nature of life in Canada, with very considerable quantities of fruits and vegetables being preserved in the home. There was, in addition, a widespread fear of canned foods, which had to be overcome.

With the advent of improvements in manufacturing techniques and the increase in urban populations, however, commercial canning expanded rapidly in Canada and to-day, after some sixty years of growth, it is an important industry, capable of supplying the home market with canned fruits and vegetables other than those grown and canned elsewhere.

The canning of fruits and vegetables is carried on most extensively in Ontario, British Columbia and Quebec, where climatic conditions for the growing of fruits and vegetables are favourable. The canning season begins in June, and continues throughout the summer and autumn until October, being at its height in September.

Gross Value of Production, 1890-1942

Before proceeding with a review of the growth of the industry, it should be pointed out that, due to the fact that available statistics include the production of jams, jellies, marmalades, all kinds of canned soups, catsups, sauces, pickles and relish, as well as canned fruits and vegetables, it is not possible to provide a statistical summary of the latter two items as an industry, showing capital invested, employment, etc. They can be considered as an industry here only in so far as the gross value of production is concerned, since this can be separated from the total gross value of production of the larger industry of which they are a part. Even this division cannot be made for the years before the end of the first Great War; figures up to and including 1918 also contain small production values of jellies and marmalades.

The following table shows the gross value of the production of canned fruits and vegetables for the years 1890, 1901, 1906, 1910, 1915, 1917, 1918 and 1920 to 1942 inclusive:—

1890	\$ 929,778
1901	2,831,742
1906	3,598,900
1910	5,971,082
1915	3,794,922
1917	16,385,964
1918	14,027,855
1920	16,661,019

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1921	\$ 9,124,749
1922	10,943,541
1923	8,907,537
1924	13,716,890
1925	16,338,481
1926	15,815,012
1927	13,950,605
1928	16,983,754
1929	19,050,700
1930	22,980,124
1931	13,354,261
1932	11,659,350
1933	11,116,512
1934	14,350,513
1935	16,815,615
1936	19,243,761
1937	22,335,704
1938	19,036,916
1939	22,235,057
1940	23,494,189
1941	30,188,886
1942	28,680,140

Prior to 1880 there were only two small fruit and vegetable canning plants in Canada, but by 1901 the industry had a production value of almost \$3,000,000. A considerable growth occurred during the first decade of the present century, and in 1910 the value of production of such canned goods totalled approximately \$6,000,000.

Exports During First World War

The industrial canning of fruits and vegetables came rapidly to the fore in the war years 1914-1918. There were, of course, very considerable price increases during this period which account to some degree for the expansion from \$3,794,922 in 1915 to \$16,385,964 in 1917; but the basic cause was the foreign demand illustrated by the growth in export totals. This was a temporary enlargement, due to needs created by war, but it is of interest to consider the export market of these years before continuing with the discussion of the general growth of the industry.

In 1914 exports of canned fruits and vegetables to all countries totalled only \$412,374, whereas in 1918 the valuation was \$14,157,147. France and the United Kingdom were the two largest purchasers. In the early years of the war the bulk of these products went to the United Kingdom, which took \$1,387,276 or over 88 per cent of the total value exported in 1916. How-

ever, while exports to the United Kingdom in 1917 and 1918 totalled \$1,272,011 and \$3,297,046 respectively, there was an enormous growth in shipments to France, with which a treaty had been concluded in 1917. Exports to France were valued at only \$6,086 in 1916, but rose to \$4,681,809 in 1917 and \$10,122,681 in 1918, completely overshadowing the exports to the United Kingdom in these two years.

The war also affected the export ratio of canned fruits to canned vegetables. In 1914, out of a total export value of \$412,374, canned fruits accounted for \$394,719. In 1916 the total value of exports was \$1,502,601, with fruits representing a little over 50 per cent. Due mainly to the fact that all of the large total exported to France in 1917 was canned vegetables, and also to the increased demand for these in other markets, canned fruits in that year represented only a very small percentage of the total exports. In 1918 exports of canned vegetables were valued at \$13,730,824 out of a total export value for fruits and vegetables of \$14,157,147.

Up to and including 1930, export figures in this article are for fiscal years. The preceding export totals, therefore, do not correspond exactly with annual production figures. Nevertheless, they contain clear evidence that it was not the home market which absorbed increased production.

Production and Exports, 1920-1930

After the war the French market disappeared almost completely, and, although the United Kingdom took an appreciable quantity of canned fruits and vegetables, with the United States assuming secondary importance, total exports declined greatly and the home market again became the main objective of producers. Eventually it expanded sufficiently to ensure a large annual production.

Reviewing production figures for the years 1920-1930, it will be seen that in 1920 the value of canned fruits and vegetables produced was \$16,661,019

and that a low of \$8,907,537 was reached in 1923. The 1920 level was approximately regained in 1925, but there were recessions in the next two years and a definite upward movement did not develop until 1928. By 1930 the value of such foods produced was \$22,980,124.

As regards exports in 1920, Canada shipped canned fruits and vegetables abroad to the value of only \$4,701,441, or about one-third of the 1918 figure. In the following ten years the annual exports were very considerably less, being below \$2,000,000 in all except 1924. In 1930 they were valued at \$1,326,036, of which 55 per cent went to the United Kingdom, and about 35 per cent to the United States.

In the year 1930, therefore, out of a total production of \$22,980,124, about \$21,500,000 was for the home market.

Production from 1931 to 1939

As already stated, in 1930 the value of production rose to \$22,980,124, which was a new high for the industry. However, this was a value increase of only 21 per cent over the preceding year, whereas the volume increase was 44 per cent. This difference in ratio between increases in volume and value reflected the deflationary trend of the depression, which was already affecting Canadian industries in varying degrees.

By 1931 volume as well as value had declined, the figure for the latter being only \$13,354,261. In 1933, the low year of the period, the value of production, was \$11,116,512, but in the next years there was a steady upward movement to a total of \$22,335,704 in 1937, which was about \$650,000 below the 1930 high. There was a recession in production value in 1938, resulting from a decline in the prices of canned vegetables, but in 1939 it regained roughly the 1937 level.

The increase in 1939 was due in part to a rise in the prices of canned fruits, the total value of these representing about one-third of the entire value of production.

*Production of Canned Fruits and Vegetables, 1939**

	Number of Cases	Net Weight of Contents Pounds	Selling Value \$
Fruits, total	3,547,542	116,500,115	7,769,005
Apples, including crabapples	1,246,191	47,033,407	2,089,713
Apple sauce	25,948	637,906	41,014
Apricots	81,420	2,520,714	192,896
Blueberries	25,295	720,421	41,000
Cherries	135,562	3,835,135	329,570
Loganberries	68,350	2,161,891	182,381
Peaches	810,696	23,391,042	1,947,652
Pears—Bartlett	258,179	8,611,362	832,133
Keiffer, etc.	599,826	19,474,886	1,422,345
Plums, gages, etc.	114,764	3,179,444	185,441
Raspberries	72,673	2,070,534	197,036
Rhubarb	2,710	103,980	1,843
Strawberries	38,842	1,042,863	106,735
Fruits for salads and cocktails.....	†	†	†
Other small fruits.....	2,673	91,842	7,226
All other fruits	64,413	1,624,688	192,020
Vegetables, total	7,588,055	250,421,723	14,466,052
Asparagus	138,239	3,054,138	461,600
Beans, green or wax	461,577	12,912,256	763,519
Beans, baked, etc.	2,318,922	77,557,404	4,865,882
Beets	69,390	1,876,751	114,501
Carrots	27,331	675,659	38,566
Carrots and peas combined	65,353	1,691,987	138,623
Carrots, peas and beans combined	40,029	1,211,070	57,163
Corn on the cob	21,349	635,964	59,172
Corn, cream, whole grain, etc.	1,082,811	29,084,774	1,750,748
Peas	1,244,570	34,024,522	2,274,106
Pumpkin	93,150	3,744,146	137,365
Spinach	44,467	1,230,721	85,354
Tomatoes	1,958,025	82,372,815	3,635,637
Mushrooms	19,569	292,682	77,084
All other vegetables	3,273	56,834	6,732

* Fruits and vegetables canned by domestic or home canners are not included.

† Included with all other fruits.

All pears canned in 1939 were valued at \$2,254,478; apples, including crabapples, at \$2,089,713; and peaches at \$1,947,652. In addition, there was considerable canning of cherries, raspberries, apricots, loganberries, plums, gages, strawberries and other fruits.

Baked beans were the leading item among canned vegetables, being valued at \$4,865,882. Next in order were tomatoes, \$3,635,637; peas, \$2,274,106; and corn, including cream, whole grain, etc., \$1,750,748. Practically all of the common vegetables were also canned in lesser amounts.

The products of the canners were not only finding their way to Canadian homes and tables, but were also becoming well known elsewhere. An expanding export market was developing in the later thirties.

Exports, 1931-39

Exports of canned fruits and vegetables dropped to a low value of \$985,423 in 1931, but by 1934 the value had risen above \$2,000,000. In 1937 there was a large increase to \$4,140,034, equivalent to about 18 per cent of the gross value of production. In 1939 exports were valued at \$5,996,687, the relationship to total production having risen to 27 per cent. Thus the export market had again become important to the Canadian canner.

The most important market for Canadian canned fruits and vegetables during these years was the United Kingdom, which never took less than 80 per cent of the total exported. In fact, in 1939, the United Kingdom took 88 per cent of the total value. Among numerous other purchasing countries, the United States, Newfoundland and New Zealand were leading markets.

Following is a summary of the exports of canned fruits and vegetables in 1939:—

Canned fruits, total	\$3,089,768
Pears	1,332,879
Apples	933,849
Peaches	366,714
Other	456,326
Canned vegetables, total	2,906,919
Tomatoes	1,652,753
Beans	679,986
Peas	203,498
Other	370,682

Production and Exports, 1940-1942

During the first three years of the Second Great War for which statistics are available there was an increase in the value of production by the industry, although exports declined in these years, due to lack of shipping space and other adverse wartime factors. The increase was therefore due to the enlarged purchasing power of the home market. People who had never had canned fruits and vegetables before, now bought them for the first time, while purchases for the Armed Services in Canada were also an important factor.

In 1940 the value of production was \$23,494,189, an increase of over \$1,000,000 as compared with 1939. In 1941 the industry reached an all-time peak of \$30,188,886; but in 1942, due to labour shortages, restrictions on the use of tin for cans and on the use of sugar, the value dropped to \$28,680,140.

Although the total value of production in 1942 was considerably greater than in 1939, there was actually a decline in fruits canned. Apples largely accounted for this, only 2,349,051 pounds worth \$124,898 being canned as against 47,033,407 pounds valued at \$2,089,713 in 1939. The loss of the United Kingdom market for this item, which was the important factor in the decline, bore heavily on both canners and apple growers, and Government assistance was necessary.

In respect of canned vegetables, the situation was quite different, and it was the increase in production of these items which was responsible for the comparatively high 1942 total. In that year vegetables canned totalled 328,-

332,631 pounds valued at \$22,635,611, as compared with 250,421,723 pounds at \$14,466,052 in 1939. However, in the production of baked beans there was a heavy decrease, amounting to well over 50 per cent, and the high total for canned vegetables was accounted for by great increases in the quantities of peas, tomatoes, corn, and green or wax beans canned.

The decline in the quantity of fruits canned, together with the increased demand, resulted in an acute shortage, and rationing was introduced. Canned vegetables have not been rationed; but, despite the increase in production, Canadian housewives and other buyers have at times encountered considerable difficulty in securing sufficient quantities to meet their needs.

Although shipments to the United Kingdom were valued at only \$3,902,585 in 1940 as against \$5,996,687 in 1939, the 1940 figure represented about 90 per cent of Canadian exports in that year. However, by 1942 total exports to the United Kingdom had contracted to \$301,982, or slightly less than 14 per cent of total exports. The United Kingdom had therefore practically ceased to buy Canadian canned fruits and vegetables, and Canada was deprived not only of the large market for canned apples, but also of the market for canned beans and other items which had been sold in lesser quantities to Great Britain. Under the urgency of war needs and shipping shortages the United Kingdom was compelled to give a low priority to canned fruits and vegetables.

Exports to the United Kingdom being thus restricted, Canadian canners found some enlarged demand in markets nearer home. Newfoundland needed supplies to feed a population inflated by war activities, and in 1942 took \$585,797 worth of canned fruits and vegetables. Bermuda also made important purchases. The United States took \$584,864 worth of canned tomatoes, but very little else.

Exports of canned fruits and vegetables totalled \$4,366,516 in 1940 and only \$2,210,884 in 1942, a decrease of some \$2,000,000.

Summary

The second World War commenced during a period of steady growth in the Canadian canned fruits and vegetables industry. Earlier prejudices against canned foods, due to misconceptions regarding loss of nutritional values in canning, and to fear of the possible ill effect of the tin can on the food, had largely died out, and such foods had become widely accepted. The war itself created a greater home demand, and there seems little doubt that the enlarged consumption will continue or increase, rather than decrease,

unless there is a reduction in purchasing power.

It is impossible to say what competition may be provided by the products of the improved dehydration processes, and by the quick-freezing of fruits and vegetables, etc., either at home or in the export markets.

With regard to the latter, a recovery of the United Kingdom market would be most desirable, and, since it disappeared only because of the exigencies of war, there is reason to expect that Canadian canned fruits and vegetables will find ready purchase there when normal conditions are restored.

RURAL ELECTRIFICATION IN IRELAND*

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

The Government of Eire has not lost sight of the fact that agriculture is, and must remain, the staple industry of this country and that neglect of the rural community is inimical to the general advancement of the national well-being. Every effort is therefore being made, by education, propaganda, financial grants, and other means, to improve conditions on the farm and to increase production while maintaining the high reputation which Irish agricultural produce has earned in the export market.

Incidental to this campaign it has been made clear that, when the restrictions on international trade have been removed and raw materials, machinery, etc., are once more obtainable, the first intention of the Government is to place the most modern equipment within reach of every agriculturalist. To this end legislation is being introduced which will enable the Electricity Supply Board to embark on a ten-year program of widespread rural electrification.

Lighting facilities for the cabin and the farmstead, the village street and

the local hall, with all their attendant advantages, are expected to be a powerful weapon in the struggle to stem the "flight from the land" which has been such a disquieting factor in Irish life in the last few years. The tendency to forsake the rural areas for the adventure and possibilities offered by industrial employment has threatened grave consequences to the national economy, which is jointly based upon agriculture and industry.

This movement cannot be attributed entirely to the spirit which has led so many Irish people of every generation to quit their native land in order to seek a greater freedom and richer opportunities in a larger sphere. There can be no doubt that it is largely traceable to the fact that neither wages nor living conditions in rural areas have kept pace with urban standards. The country dwelling which is equipped with tap water or electric light or current is still rare.

Current for domestic use, the possibility of a properly fitted kitchen and dairy, and of electric power to do the sweeping, washing, and heating, which have hitherto meant back-breaking toil for the farmer's wife and daughter, should do more than many ministerial speeches to entice the female part of the population "back to the land". It

*This report is supplementary to one entitled "Electrical Development in Ireland", which was published in *Commercial Intelligence Journal* No. 2126 (October 28, 1944), page 390.

is generally realized that rural electricity supply is an eminently promising means of improving social conditions, alleviating the burden of hard work on the farmer and his family, brightening their lives, and in every way reducing the gap between the amenities enjoyed by town and city dwellers and the rural community.

Electric Current on the Farm

Irish farmers are not unaware of the advantages of well-lighted stables, barns, and yards, or of the cleanliness and efficiency which can be attained by the use of electrically driven machinery, but so far the possibility of such equipment for the farmer of modest means has remained remote. Now, however, a legitimate hope is cherished by every farmer in the country that within a few years an opportunity will be afforded him to develop his holding to a high level of efficiency.

It has been estimated that a one horse-power motor could do the work of ten men at 1½d. per hour (one unit costing 2d.) or one-fifteenth of the cost of manpower. As in industry, the electrification of farming will swell production figures and raise the standard of living.

In addition to public services and amenities which will revolutionize rural life, and household appliances which will introduce cleanliness and comfort into homes which at present lack almost every domestic convenience, each farm has a dozen ways in which the long-awaited supply of electricity may be utilized.

The live-stock industry, being the corner-stone of Irish agriculture, comes first to mind. Present efforts to improve the housing and care of cattle are largely impaired by the fact that the average small farmer's cow-house is ill-lighted, and that "water laid on" is a luxury enjoyed only by the wealthy few who have sufficient capital to install their own plants. It is clear that if power were available to prepare the feed, light and clean the cattle sheds, and milk the cows—to mention only a few of the usual chores—large increases in production would ensue.

When every farmer in the land can obtain current to equip his dairy and to operate separators and churns, it will be possible to accede to the demand, which is steadily growing more insistent, for high-grade milk at a modest price for every child in Ireland.

The poultry industry, which is a progressive element in the agricultural life of the country, is also ready to consume current on a considerable scale. It has been demonstrated that a clean and well-lighted poultry house, which can be kept dry and reasonably warm, greatly promotes the productivity of the birds. In cases where twelve hours' light per day has been made available to pullets, about twenty-one extra eggs per bird have been laid during the season. Electric incubators are also in great demand among ambitious poultry farmers, and there is no doubt that in this department a good return would be obtained from the current used.

The many onerous tasks which could be obviated by electrically-run machines can only be envisaged by those who have experience of the numerous activities which go to make up the day's work on a farm. One of the facts that strikes a stranger about agriculture in Ireland is the high degree in which it is still confined to "muscle energy" as the source of power, and the limitations which this puts upon the tempo of production.

Organization and Distribution

The Electricity Supply Board continues to control the electrical development of the entire country, but the advisability of decentralizing control is now being discussed. The problem at present under consideration is that of supplying current to dwellings and farmhouses situated on agricultural holdings scattered over the country on a distribution basis of about thirteen to twenty-five houses to the square mile. It is realized that rural electrification must be a gradual process, but the pace will be accelerated owing to the problem having been clarified by the experience of other countries.

Technical considerations dictate the extension of the supply on an area

basis, and the districts close to the existing Electricity Supply Board network must be given priority in development. The organization and management of electricity supply necessitates a considerable degree of specialized guidance, and it is not yet clear whether a higher standard of efficiency would be attained through administration direct by the Board or by co-operative associations of rural dwellers in each area.

Costs

It is recognized that to make electricity actually available to the rural population it will be necessary to sell the current and to provide the essential equipment at a reasonable rate. Here a difficulty arises greater than any of the technical problems which the experience of other nations and the skill and determination of engineers and technicians have combined to overcome. The fixed annual charges of the E.S.B. are reckoned at 12 per cent on capital, made up as follows: interest, 5 per cent; depreciation, $2\frac{1}{2}$ per cent; sinking fund, 5 per cent; other costs, 4 per cent. It is estimated that payments into the sinking fund at this rate should repay the capital in fifty years.

The Government hopes to supply current at the rate of 2d. per unit up to 600 and $\frac{3}{4}$ d. per unit above that figure, plus a fixed charge based on the area of the premises. This charge is at present 4s. 4d. for a floor area of 400 square feet, and 2s. 2d. for every additional 200 square feet or part thereof. From experiments and calculations it has been decided that the probable

return would thus be at the rate of 9.7 per cent, leaving a gap of 2.2 per cent below the economic yield. The advisability of increasing the charge to the consumer has been discounted, and it is generally agreed that there should be a uniform rate of charge in all areas.

A report of a survey, recently published, indicates the magnitude of the rural distribution network contemplated by revealing that there are 400,000 rural dwellings without electricity, and that to supply these would require 75,000 miles of 10,000-volt lines and 100,000 pole transformer stations, at an estimated cost of £17,000,000, taking pre-war figures as a price basis. This is a sufficient demonstration of the fact that an essential premise of such a scheme is a relatively high investment of capital per consumer.

The major factor governing the monetary return will be the rate which the rural community will be prepared to pay. It is not yet clear by what means and at what rate capital is to be provided for this undertaking, which is universally agreed to be of first importance for the health, well-being, and economic development of a country which is determined to resume, as soon as international conditions permit, the process of exploring and exploiting her natural resources. In this respect Ireland has been endowed with resources sufficient to make possible, when properly developed, a fair standard of living for her citizens and a useful role for the country in the modern world.

TRADE OF TRINIDAD IN 1943

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

III. Imports from Canada—Conc.

With reference to the previous installment of this report, following are further details of imports which Canada supplied to a value of \$5,000 and over, comparative values for 1942 being shown within parentheses:—

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Mining Products, Unmanufactured, n.o.p.—
Total, 9,459 ton, \$475,427 (7,403 ton, \$124,-

108): Great Britain, \$14,000; United States, \$226,332; Canada, 2,020 ton, \$70,867 (378 ton, \$42,579).

*Softwoods, Other than Pitch Pine, Undressed.—*Total, 570 load, \$41,772 (2,829 load, \$140,250): Canada, 558 load, \$40,780 (2,767 load, \$136,047).

*Hardwood, Dressed.—*Total, 121 load, \$8,473 (1 load, \$87): Canada, 114 load, \$7,982 (nil).

Other Sorts, Part or Wholly Planed.—
Total, 4,852 load, \$298,643 (3,467 load, \$165,-

693): Canada, 4,509 load, \$296,307 (3,426 load, \$142,975).

Shingles.—Total number, 1,359,236, \$28,319 (\$53,820, \$19,541): United States, \$5,300; Canada, 1,066,200, \$22,519 (\$28,820, \$19,255).

Shooks, White Oak.—Total number, 233,241, \$124,325 (266,062, \$135,712): United States, \$107,145; Canada, 54,402, \$17,146 (137,361, \$63,981).

Shooks, Other than Oak.—Total number, 749,801 \$67,471 (1,340,150, \$86,503): United States, \$25,008; Canada, 251,395, \$41,049 (\$61,459, \$40,317).

Linseed Oil.—Total, 155 ton, \$52,511 (102 ton \$32,529): Argentina, \$15,344; Canada, 115 ton, \$36,253 (33 ton, \$9,705).

ARTICLES WHOLLY OF MAINLY MANUFACTURED

Pottery and Other Clay Products n.o.p.—Total, \$21,082 (\$19,392): Great Britain, \$6,367; Canada, \$10,646 (\$4,919).

Glass Bottles and Jars.—Total, 49,371 cwt., \$377,822 (14,106 cwt., \$98,651): Great Britain, \$227,544; United States, \$84,488; Canada, 8,799 cwt., \$65,790 (493 cwt., \$4,883).

Cement.—Total, 22,700 ton, \$761,136 (22,673 ton, \$644,972): Great Britain, \$257,590; United States, 51,576; Canada, 13,210 ton, \$451,970 (4,967 ton, \$131,633).

Wire Manufactures, Other Sorts.—Total, \$126,170 (\$124,214): United States, \$109,575; Canada, \$14,941 (\$22,289).

Bolts, Nuts, Rivets, Screws and Tacks.—Total, 233 ton, \$87,190 (371 ton, \$168,586): Great Britain, \$13,069; United States, \$68,529; Canada, 11 ton, \$5,592 (36 ton, \$10,869).

Furniture of Metal, and Parts.—Total, 129 ton, \$47,015 (149 ton, \$62,836): United States, \$38,825; Canada, 22 ton, \$7,051 (44 ton, \$9,396).

Hollow-ware n.o.p.—Total, 328 ton, \$127,909 (397 ton, \$158,450): Great Britain, \$8,948; United States, \$112,742; Canada, 52 ton, \$6,219 (15 ton, \$11,742).

Manufactures of Iron and Steel, Unenumerated.—Total, \$611,807 (\$874,363): Great Britain, \$307,108; United States, \$286,962; Canada, \$16,268 (\$61,214).

Manufactures of Brass and Alloys of Copper n.o.p.—Total, 2,115 cwt., \$146,852 (1,981 cwt., \$145,483): Great Britain, \$70,042; United States, \$59,412; Canada, 284 cwt., \$17,398 (234 cwt., \$18,816).

Wrought Metal, Other Sorts.—Total, 558 cwt., \$14,953 (3,676 cwt., \$48,121): Canada, 520 cwt., \$12,154 (491 cwt., \$10,698).

Razor Blades.—Total, 13,446 gross, \$34,474 (27,054 gross, \$55,031): United States, \$9,837; Canada, 7,653 gross, \$24,637 (12,320 gross, \$34,282).

Hardware, Other than Hollow-ware, n.o.p.—Total, 1,895 cwt., \$117,721 (3,289 cwt., \$199,023): Great Britain, \$56,327; United States, \$48,962; Canada, 146 cwt., \$12,105 (539 cwt., \$41,098).

Artisans' Tools.—Total, \$117,508 (\$188,745): Great Britain, \$51,730; United States, \$55,543; Canada, \$7,932 (\$37,151).

Photographic and Cinematograph Appliances n.o.p.—Total, \$55,444 (\$44,846): Great Britain, \$9,506; United States, \$7,570; Canada, \$38,368 (\$29,099).

Insulated Electric Wire and Cables.—Total, \$117,183 (\$298,100): Great Britain, \$48,376; United States, \$56,704; Canada, \$12,103 (\$64,022).

Bulbs, Electric Light, over 20 Volts.—Total number, 194,165, \$38,547 (287,174, \$60,138): Great Britain, \$20,353; Canada, 76,216, \$16,732 (32,745, \$6,193).

Other Electric Light Appliances.—Total, \$22,422 (\$43,987): Great Britain, \$9,713; United States, \$6,450; Canada, \$5,637 (\$8,907).

Accumulators, including Parts.—Total, \$33,828 (\$29,659): United States, \$11,226; Canada, \$22,434 (\$26,087).

Electrical Goods and Apparatus n.o.p.—Total, \$156,773 (\$313,731): Great Britain, \$50,573; United States, \$84,727; Canada, \$21,420 (\$48,720).

Machine Tools and Parts.—Total, 540 cwt., \$61,329 (1,022 cwt., \$70,767): United States, \$21,077, Canada, 324 cwt., \$39,577 (30 cwt., \$1,918).

Typewriters.—Total number, 140, \$14,396 (341, \$29,632): United States, \$6,743; Canada, 74, \$7,222 (273, \$23,400).

Internal Combustion Engines, Marine.—Total, 72 ton, \$115,715 (28 ton, \$51,863): Great Britain, \$17,979; United States, \$91,753; Canada, 3 ton, \$5,978 (2 ton, \$3,482).

Sewing-machines.—Total number, 2,021, \$98,844 (675, \$34,174); Canada, 1,986, \$96,409 (651, \$32,289).

Machines and Machinery n.o.p.—Total, 781 ton, \$913,723 (1,156 ton, \$1,134,033): Great Britain, \$142,992; United States, \$744,119; Canada, 19 ton, \$21,596 (62 ton, \$64,261).

Furniture and Cabinet Ware.—Total, \$95,982 (\$96,427): British West Indies, \$24,650; Canada, \$65,606 (\$85,061).

Other Manufactures of Wood n.o.p.—Total, \$51,290 (\$36,251): United States, \$21,968; Great Britain, \$5,733; Canada, \$14,547 (\$15,327).

Grey Unbleached Cotton Piece-goods.—Total, 543,154 sq. yd., \$126,974 (612,249 sq. yd., \$115,032): Great Britain, \$10,802; United States, \$95,113; Canada, 43,036 sq. yd., \$11,168 (33,882 sq. yd., \$10,604).

White Bleached Cotton Piece-goods.—Total, 2,326,703 sq. yd., \$564,215 (1,966,954 sq. yd., \$447,191): Great Britain, \$211,459; United States, \$275,889; Canada, 300,603 sq. yd., \$70,771 (341,678 sq. yd., \$56,709).

Printed Cotton Piece-goods.—Total, 5,136,314 sq. yd., \$1,359,732 (6,350,168 sq. yd.,

\$1,585,607): Great Britain, \$289,499; United States, \$575,067; Canada, 1,940,060 sq. yd., \$481,745 (2,327,896 sq. yd., \$549,428).

Coloured Cottons and Dyed in Piece.—Total, 2,832,295 sq. yd., \$881,478 (4,175,396 sq. yd., \$1,158,466): Great Britain, \$335,313; United States, \$401,793; Canada, 379,622 sq. yd., \$110,222 (991,964 sq. yd., \$234,822).

Made-up Cotton Goods.—Total, \$284,849 (\$401,359): Great Britain, \$98,901; United States, \$148,454; Canada, \$26,588 (\$152,682).

Cotton Manufactures n.o.p.—Total, \$137,384 (\$110,452): Great Britain, \$92,973; United States, \$10,918; Canada, \$33,331 (\$20,534).

Other Manufactures, Woollen and Worsted n.o.p.—Total, \$42,956 (\$30,133): Great Britain, \$28,053; Canada, \$12,634 (\$5,290).

Artificial Silk Yarn.—Total, 6,235 lb., \$6,652 (2,333 lb., \$709): Canada, 6,235 lb., \$6,652 (4 lb., \$17).

Artificial Silk Manufactures, Piece-goods.—Total, 2,549,252 sq. yd., \$1,162,560 (3,500,242 sq. yd., \$1,453,357): Great Britain, \$775,242; United States, \$114,067; Canada, 464,336 sq. yd., \$271,734 (1,006,884 sq. yd., \$580,413).

Artificial Silk (mixed with Other Materials) Piece-goods.—Total, 127,206 sq. yd., \$72,107 (226,421 sq. yd., \$120,275): Great Britain, \$28,182; United States, \$18,198; Canada, 26,849 sq. yd., \$25,727 (56,857 sq. yd., \$51,988).

Cordage, Rope and Twine of Cotton under ½-inch in Diameter.—Total, 588 cwt., \$69,350 (396 cwt., \$22,229): Great Britain, \$12,522; United States, \$17,106; Canada, 532 cwt., \$39,722 (299 cwt., \$15,063).

Cordage, Rope and Twine of Other Materials ½ inch and over in Diameter.—Total, 1,293 cwt., \$38,436 (931 cwt., \$21,471): United States, \$7,010; Canada, 1,048 cwt., \$31,426 (374 cwt., \$6,623).

Cordage Manufactures.—Total, \$12,124 (\$8,929): United States, \$5,119; Canada, \$6,869 (\$470).

Sacks and Bags, Used.—Total, 2,208 doz., \$10,026 (19,265 doz., \$779,990): Canada, 1,667 doz., \$7,451 (3,808 doz., \$16,758).

Men's and Boys' Outer Garments, Other than Overcoats.—Total, \$26,116 (\$58,529): United States, \$15,134; Canada, \$6,787 (\$29,921).

Womens' and Girls' Outer Garments, Other than Overcoats.—Total, \$165,980 (\$120,600): United States, \$47,313; Canada, \$112,293 (\$116,241).

Shirts.—Total, 35,840 doz., \$654,206 (36,642 doz., \$413,320): Great Britain, \$12,269; British Guiana, \$33,875; United States, \$245,293; Canada, 18,977 doz., \$356,384 (23,407 doz., \$333,641).

Pajamas.—Total, 2,279 doz., \$63,665 (1,000 doz., \$22,828): Great Britain, \$11,072; British Guiana, \$13,502; United States, \$10,995; Canada, 930 doz., \$28,075 (883 doz., \$20,109).

Mens' Shorts and Vests.—Total, 72,105 doz., \$317,636 (27,263 doz., \$100,886): United States, \$274,677; Canada, 3,017 doz., \$18,205 (4,779 doz., \$21,032).

Other Apparel (not including Hosiery).—Total, \$71,907 (\$66,098): United States, \$40,416; Canada, \$27,794 (\$39,493).

Boots, Shoes and Slippers of Leather.—Total, 58,502 doz. pr., \$1,866,777 (45,887 doz. pr., \$1,289,640): Great Britain, \$277,655; United States, \$803,651; Canada, 24,516 doz. pr., \$746,072 (31,543 doz. pr., \$914,167).

Hats, Caps, etc.—Total, 31,819 doz., \$643,649 (32,445 doz., \$432,809): Great Britain, \$201,942; United States, \$96,588; Canada, 17,381 doz., \$351,704 (16,777 doz., \$256,776).

Cotton Hosiery.—Total, 28,481 doz. pr., \$101,353 (11,651 doz. pr., \$31,971): United States, \$76,433; Canada, 6,599 doz. pr., \$23,805 (11,201 doz. pr., \$30,883).

Silk Hosiery.—Total, 751 doz. pr., \$5,455 (656 doz. pr., \$5,432): Canada, 748 doz. pr., \$5,385 (628 doz. pr., \$5,259).

Artificial Silk Hosiery.—Total, 53,303 doz. pr., \$299,089 (21,336 doz. pr., \$82,783): United States, \$218,250; Canada, 13,121 doz. pr., \$80,522 (20,062 doz. pr., \$79,357).

Artificial Silk Underwear.—Total, 10,120 doz., \$68,577 (16,169 doz., \$63,886): United States, \$41,700; Canada, 3,882 doz., \$25,519 (13,144 doz., \$50,727).

Neckties, Cravats, etc.—Total, 6,377 doz., \$29,087 (14,538 doz., \$60,188): Great Britain, \$8,608; Canada, 4,580 doz., \$20,380 (9,989 doz., \$39,790).

Apparel n.o.p.—Total, \$85,942 (\$113,769): Great Britain, \$12,363; United States, \$30,212; Canada, \$41,645 (\$74,300).

Calcium Carbide.—Total, 19,845 cwt., \$162,891 (4,970 cwt., \$37,539): Canada, 19,263 cwt., \$156,991 (4,530 cwt., \$31,051).

Disinfectants and Insecticides.—Total, 3,036 cwt., \$64,295 (2,130 cwt., \$49,674): Great Britain, \$25,080; United States, \$16,697; Canada, 1,020 cwt., \$22,518 (478 cwt., \$13,978).

Fine Salt.—Total, 2,130 ton, \$80,699 (4,544 ton, \$134,484): British West Indies, \$33,522; Netherlands West Indies, \$26,152; Canada, 468 ton, \$19,725 (1,521 ton, \$53,723).

Chemical Manufactures n.o.p.—Total, \$803,037 (\$869,805): Great Britain, \$428,211; United States, \$317,391; Canada, \$47,959 (\$47,995).

Medicinal Oils.—Total, 857 cwt., \$54,406 (776 cwt., \$39,463): Canada, 351 cwt., \$32,452 (459 cwt., \$27,040).

Medicinal Spirits n.o.p.—Total, 28,283 gal., \$192,829 (15,967 gal., \$153,970): Great Britain, \$32,890; British Guiana, \$32,872; United States, \$28,228; Canada, 13,188 gal., \$98,839 (4,907 gal., \$53,593).

Proprietary Medicines.—Total, \$508,145 (\$427,660): Great Britain, \$149,708; United States, \$57,812; Canada, \$273,062 (\$219,425).

Drugs and Medicinal Preparations n.o.p.—Total, \$78,578 (\$79,520): Great Britain, \$24,540; United States, \$23,299; Canada, \$29,801 (\$17,554).

Barytes.—Total, 367,140 cwt., \$558,801 (178,100 cwt., \$254,106): United States, \$66,726; Canada, 302,040 cwt., \$492,075 (93,680 cwt., \$134,310).

Paints.—Total, 6,735 cwt., \$164,957 (7,745 cwt., \$182,025): United States, \$20,448; Great Britain, \$81,661; Canada, 2,310 cwt., \$62,848 (2,541 cwt., \$65,864).

Enamels.—Total, 603 cwt., \$28,638 (698 cwt., \$27,970): United States, \$11,914; Canada, 309 cwt., \$16,541 (545 cwt., \$22,191).

Dry Distemper.—Total, 766 cwt., \$15,291 (859 cwt., \$14,543): Great Britain, \$4,087; Canada, 487 cwt., \$11,204 (376 cwt., \$7,800).

Varnish and Lacquer.—Total, 12,106 gal., \$47,087 (7,157 gal., \$24,046): United States, \$8,862; Canada, 9,320 gal., \$37,019 (4,026 gal., \$13,186).

Painters' Colours n.o.p.—Total, 2,737 cwt., \$51,190 (4,141 cwt., \$61,449): Great Britain, \$28,977; Canada, 626 cwt., \$13,233 (475 cwt., \$15,402).

Lubricating Oil.—Total, 1,188,503 gal., \$907,982 (1,141,160 gal., \$765,422): United States, \$818,563; Netherlands West Indies, \$55,581; Canada, 70,546 gal., \$33,828 (123,629 gal., \$60,839).

Hard Laundry Soap.—Total, 6,907 cwt., \$101,540 (3,259 cwt., \$31,991): Argentina, \$11,357; Canada, 6,012 cwt., \$90,096 (1,840 cwt., \$19,357).

Laundry Soap. Other Sorts.—Total, 3,447 cwt., \$66,320 (1,349 cwt., \$18,045): Canada, 3,425 cwt., \$65,924 (1,287 cwt., \$17,420).

Toilet Soap.—Total, 6,275 cwt., \$199,928 (5,348 cwt., \$130,938): Canada, 6,267 cwt., \$199,350 (5,258 cwt., \$126,293).

Abrasive Soap.—Total, 873 cwt., \$13,591 (1,782 cwt., \$23,168): all from Canada (1,758 cwt., \$22,624).

Powder and Flake Soap.—Total, 1,438 cwt., \$35,406 (1,858 cwt., \$38,419): United States, \$10,980; Canada, 927 cwt., \$24,266 (1,698 cwt., \$34,739).

Dressed Leather.—Total, 203,763 sq. ft., \$94,446 (182,617 sq. ft., \$64,264): Great Britain, \$21,002; Brazil, \$30,129; Canada, 90,075 sq. ft., \$36,034 (97,240 sq. ft., \$37,487).

Trunks, Bags and Wallets.—Total, \$63,031 (\$52,517): Great Britain, \$27,179; Canada, \$34,923 (\$33,129).

Printing Paper.—Total, 23,966 cwt., \$121,296 (17,024 cwt., \$78,933): Canada, 23,959 cwt., \$121,096 (16,211 cwt., \$65,317).

Packing and Wrapping Paper, Unglazed.—Total 21,866 cwt., \$281,299 (5,422 cwt., \$74,124): Canada, 21,530 cwt., \$271,846 (3,675 cwt., \$40,113).

Packing and Wrapping Paper, Glazed.—Total, 693 cwt., \$15,040 (252 cwt., \$9,301): Canada, 654 cwt., \$13,747 (241 cwt., \$9,019).

Stationery.—Total, 4,193 cwt., \$205,245 (4,272 cwt., \$183,016): Great Britain, \$98,548; United States, \$29,776; Canada, 2,240 cwt., \$74,344 (2,248 cwt., \$69,126).

Paper Bags.—Total, 13,601 cwt., \$187,017 (6,409 cwt., \$87,660): United States, \$26,899; Canada, 10,313 cwt., \$159,068 (4,500 cwt., \$64,189).

Boxes and Cartons.—Total, 11,353 cwt., \$142,302 (5,545 cwt., \$94,235): Canada, 11,322 cwt., \$141,925 (4,439 cwt., \$58,132).

Cardboard, Millboard, etc.—Total, 5,033 cwt., \$25,679 (4,643 cwt., \$43,511): Canada, 5,021 cwt., \$24,713 (4,355 cwt., \$36,556).

Wallboard exceeding $\frac{1}{4}$ inch in Thickness.—Total, 10,961 cwt., \$108,947 (5,034 cwt., \$42,242): United States, \$26,443; Canada, 8,601 cwt., \$82,504 (5,034 cwt., \$42,242).

Playing Cards.—Total, 330 cwt., \$22,101 (107 cwt., \$7,794): Great Britain, \$9,937; Canada, 209 cwt., \$10,326 (nil).

Paper Manufactures n.o.p.—Total, 13,418 cwt., \$336,994 (8,950 cwt., \$248,232): Great Britain, \$40,417; United States, \$83,312; Canada, 10,000 cwt., \$189,690 (4,472 cwt., \$94,833).

Motor Cars, exceeding 3,000 lb. in Weight.—Total number, 114, \$179,096 (169, \$229,737): Great Britain, \$2,474; United States, \$122,898; Canada, 35, \$53,724 (101, \$130,189).

Lorries and Vans.—Total number, 55, \$105,922 (33, \$44,518): United States, \$80,344; Canada, 16, \$25,578 (27, \$32,589).

Chassis with or without Engines and Lights.—Total number, 51, \$100,859 (248, \$284,946): all from Canada (247, \$280,458).

Motor-car Parts n.o.p.—Total, \$183,380 (\$255,018): Great Britain, \$17,807; United States, \$104,689; Canada, \$60,884 (\$96,781).

Books, Printed.—Total, \$189,857 (\$121,392): Great Britain, \$104,346; United States, \$72,976; Canada, \$8,801 (\$3,188).

Toilet Brooms and Brushes.—Total, 14,434 doz., \$34,932 (25,278 doz., \$42,216): Great Britain, \$14,417; United States, \$10,817; Canada, 3,062 doz., \$8,553 (10,033 doz., \$17,036).

Felt Roofing.—Total, 2,661 cwt., \$17,163 (11,054 cwt., \$68,530): United States, \$8,285; Canada, 1,024 cwt., \$6,130 (5,156 cwt., \$29,902).

Sulphate of Ammonia.—Total, 180 ton, \$12,258 (nil); all from Canada (nil).

Hard Haberdashery.—Total, \$94,087 (\$124,493): Great Britain, \$8,836; United States, \$26,129; Canada, \$56,091 (\$98,524).

Lamps and Lanterns.—Total number, 17,151, \$24,206 (37,434, \$30,377): United States, \$11,831; Canada, 10,900, \$11,526 (24,854, \$19,255).

Liquid Cosmetics.—Total, 1,214 liq. gal., \$36,567 (\$59 liq. gal., \$14,275): Great Britain, \$5,708; Canada, 780 liq. gal., \$26,252 (546 liq. gal., \$7,359).

Solid Cosmetics.—Total, \$169,785 (\$227,662): Great Britain, \$22,881; United States, \$53,226; British West Indies, \$10,086; Canada, \$83,546 (\$87,875).

Floor and Furniture Polishes.—Total, 3,560 cwt., \$20,942 (1,018 cwt., \$32,272): Great Britain, \$8,334; Canada, 3,301 cwt., \$12,389 (200 cwt., \$6,817).

Polishes, Other than Leather, Metal and Wood.—Total, 834 cwt., \$20,804 (387 cwt., \$7,478): Great Britain, \$4,399; Canada, 658 cwt., \$15,903 (38 cwt., \$1,216).

Stationery, Other than Paper.—Total, \$82,728 (\$84,029): Great Britain, \$19,504; United States, \$16,135; Canada, \$44,445 (\$34,336).

Toys of All Kinds.—Total, \$20,112 (\$16,019): Great Britain, \$5,433; British West Indies, \$6,439; Canada, \$7,934 (\$5,651).

Goods Manufactured n.o.p.—Total, \$508,032 (\$457,567): Great Britain, \$37,949; United States, \$291,495; Canada, \$87,818 (\$155,950).

OTHER IMPORTS FROM CANADA

Following are items supplies of which from Canada were valued at less than \$5,000, the total values of imports being shown, with Canada's share within parentheses:—

Foodstuffs.—Meal and flour, other sorts, \$3,049 (\$1,490); malt, \$48,179 (\$3,846); oil seed and meal, other sorts, \$41,212 (\$2,183); pickled or salted beef, \$174,537 (\$735); fresh or frozen pork, \$61,329 (\$1,583); meat pastes, etc., \$13,967 (\$4,123); dead poultry, \$39,343 (\$1,808); smoked or cured pork products, other than bacon and ham, \$70,698 (\$4,499); gin, \$19,463 (\$2,219); confectionery n.o.p., \$7,443 (\$3,872); pickles, sauces and condiments, \$3,389 (\$2,374); sugar syrup, \$2,626 (\$2,267).

Manufactured Goods.—Sanitary ware, other sorts, \$51,126 (\$1,406); plain sheet window-glass, \$22,077 (\$3,603); other bottles and jars, \$21,795 (\$3,393); abrasives, manufactured, \$2,140 (\$621); polished and silvered glass, \$49,617 (\$780); bars and rods, \$217,828 (\$2,584); baling and barrel steel strip, \$18,536 (\$1,176); tubes, pipes and fittings up to 6 inches in diameter, \$858,384 (\$3,568); tubes, pipes and fittings over 6 inches in diameter, \$801,737 (\$4,025); domestic sanitary goods, \$98,534 (\$1,586); copper manufactures n.o.p., \$53,246 (\$329); type metal, \$1,284 (all from

Canada); metals and manufactures, other sorts, \$17,559 (\$761); cutlery, \$21,527 (\$1,843); agricultural and horticultural tools, other than secateurs, \$53,636 (\$742); implements and tools other sorts, \$73,330 (\$1,519); cinematograph and projection apparatus, \$4,193 (\$981); optical instruments and appliances, \$46,963 n.o.p. (\$1,852); other scientific instruments and appliances n.o.p., \$66,902 (\$1,506); watches, complete, \$57,902 (\$4,483); watches, parts, \$6,977 (\$1,613); wireless apparatus, \$83,239 (\$946); telegraph and telephone apparatus, other sorts, \$28,293 (\$1,099); electric light bulbs under 20 volts, \$12,293 (\$4,909); primary batteries, \$13,166 (\$672); electric stoves, complete, \$4,007 (all from Canada); electrical machinery, \$177,953 (\$1,036); electric refrigerators, \$2,435 (\$807); printing and book-binding machinery, \$13,986 (\$644); sugar-making and -refining machinery, \$138,779 (\$2,496); tool handles for agricultural implements, \$1,596 (\$1,524); tool handles, other sorts, \$1,668 (\$1,313); sewing thread, \$165,242 (\$2,457); ribbons, trimmings, etc., \$8,350 (\$3,414); wool mixed with other materials, \$117,644 (\$1,625); cordage under ½ inch in diameter, of other materials, \$1,621 (\$1,357); cordage, ½ inch and over, of hemp, \$7,872 (\$3,379); embroidery of all kinds, \$2,721 (\$2,709); linen manufactures n.o.p., \$5,426 (\$4,516); overcoats, mackintoshes, etc., \$20,620 (\$4,626); haberdashery and millinery (except hats and caps), \$1,637 (\$403); woollen hosiery, \$2,575 (\$1,493); cotton underwear, other than shirts, pajamas, etc., \$23,795 (\$913); fancy cotton hosiery n.o.p., \$3,111 (\$2,714); fancy woollen hosiery n.o.p., \$1,973 (\$1,286); fancy hosiery of other textiles n.o.p., \$2,307 (all from Canada); dye and dyestuffs, \$14,121 (\$1,384); white lead, \$4,328 (\$2,896); putty, \$10,622 (\$2,443); refined oils, other sorts, \$20,650 (\$2,201); shaving soap, \$3,663 (\$2,756); soap n.o.p., \$5,822 (\$4,317); turpentine and turpentine substitutes, \$4,673 (\$1,709); mineral jelly, \$8,427 (\$1,044); soft soap, \$2,871 (\$2,827); undressed leather, \$109,765 (\$1,401); leather, other kinds, \$4,245 (\$1,851); transparent cellulose wrapping, \$5,985 (\$3,902); coated papers, \$4,766 (\$1,916); pneumatic outer tires, \$40,834 (\$3,104); pneumatic inner tubes, \$10,895 (\$935); motor vessels, not exceeding 50 tons gross, \$38,544 (\$1,635); rubber manufactures n.o.p., \$73,781 (\$1,734); boots and shoes, etc., made wholly or partly of rubber, \$15,414 (\$2,055); rubber manufactures n.o.p., \$73,781 (\$1,784); household brooms and brushes, \$6,450 (\$2,892); painters' brushes, \$13,244 (\$531); brushes, other kinds, \$25,086 (\$1,985); leather cloth and other oilcloth, \$22,388 (\$4,550); glue and size, \$6,340 (\$1,406); spoons and forks, \$4,289 (\$923); printers' ink, \$4,825 (\$1,837); perfumed spirits, \$66,612 (\$4,001); sporting balls, except golf and tennis, \$13,889 (\$1,966); umbrellas and sunshades, \$7,169 (\$4,896).

TRADE OF THE FIJI ISLANDS

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

During the early years of the war, trading conditions in the Fiji Islands were generally more satisfactory than during the years immediately prior to the war. From about the end of 1942, however, when the effect of the Pacific war was beginning to be felt, there was a considerable falling-off in shipments of local produce and of imports.

The chief factors in this reduction in trade have been the labour shortage (the result of call-up for the armed forces), imports and exchange control, and shipping difficulties. Shipments of copra in 1943 were only about 15,000 tons as compared with 16,861 tons in 1942 and over 27,000 tons in 1939, and exports of sugar were about half those of 1942, which totalled 131,000 tons. The increase in the price for copra since the outbreak of war (£14 to nearly £20 per ton) has been offset by the reduction in shipments.

The latest trade returns available (calendar year 1942) show that in that year, the peak year of the period 1938 to 1942 inclusive, the total trade was valued at £4,359,159, exports accounting for £2,142,442 and imports for £2,216,717. The excess in favour of imports was £74,275. The foregoing figures compare with a total trade of £3,425,839—exports £1,756,423, imports £1,669,416, and a balance in favour of exports of £87,007—for the normal year 1938.

The increase in the value of imports since 1938 is accounted for by greater receipts of food and raw materials, for the most part in 1941 and 1942, presumably for the increased defence forces. The principal items of food and drink to show increases were: beer, butter, flour, meat, milk, whisky, and tea. Among raw materials, coal and timber are prominent. There was little appreciable change in the imports of manufactured articles and miscellaneous items.

Larger shipments of biscuits, canned fruit, hides and rubber, together with increased returns for sugar, although

shipments were smaller, are responsible for the good export showing. There were decreases in the quantities and values of exports of bananas, pineapples, and copra.

Import and Exchange Control

All importing into the Colony is under licence, the measure of control being dictated by the sterling and foreign exchange available. In this, as in other spheres of government control, the economy of the Colony is tied to that of Britain, and the natural result is that consideration is given Canada and the United States as sources of supply only for those items that are essential and that are unobtainable from Britain or from within the sterling area. When an export licence has been granted, there is no difficulty in making payment to any sterling country.

One result has been that a considerable number of Australian products, not before particularly in evidence, are regular imports into Fiji. This applies in a lesser extent to New Zealand. The items mainly comprise food, machinery, liquor, confectionery, hardware, building materials, etc.

The effect on trade with Canada has been to restrict severely purchases of fish (1938, £16,312 f.o.b.; 1942, £1,843 c.i.f.), motor vehicles (£24,806 f.o.b. and £11,048 c.i.f.), tires and tubes (£8,506 f.o.b. and £932 c.i.f.). Although in volume the receipts of Canadian timber in 1942 were about half those in 1938, the value was doubled (from £35,935 f.o.b. to £77,868 c.i.f.). Imports of paper and paper bags fell from 2,339 cwt. in 1938 to 1,477 cwt. in 1942.

Under the system of import control, each recognized importing firm is for the most part permitted to import in the same relative proportion as prior to the war.

Principal Imports and Sources

The first of the accompanying tables shows the c.i.f. values of the principal

Imports into Fiji

	1940	1941	1942
Beer	£ 28,317	£ 62,402	£113,358
Fish	15,258	23,128	9,953
Fruit and vegetables—			
Fresh	24,342	32,348	35,536
Preserved	2,381	7,225	5,694
Dried	2,829	4,105	3,570
Rice	30,115	40,065	40,182
Flour and meal	38,078	55,624	100,582
Sharps and pollard	76,386	85,289	96,157
Mutton and beef	13,393	25,572	100,869
Milk	2,933	10,367	25,638
Whisky	26,142	26,110	36,940
Tea	30,429	42,994	64,776
Cigarettes	14,794	25,969	25,857
Coal	21,178	12,295	37,330
Timber	43,356	131,750	86,756
Shoes, other kinds	28,014	45,477	32,661
Cotton and rayon piece-goods	169,338	169,832	84,094
Bags and sacks	60,138	41,733	87,882
Other textiles, yarns, etc.	38,921	41,822	35,402
Electrical goods	39,706	31,657	28,563
Machinery	149,310	109,525	93,489
Iron	36,840	34,118	39,042
Pipes	16,887	11,491	35,788
Iron and steel	39,812	22,438	43,190
Motor vehicles	14,730	12,152	15,848
Tires and tubes	21,364	36,303	18,697
Other vehicles	41,337	23,368	20,907
Cement	18,753	24,466	22,442
Drugs and medicines	22,672	24,362	22,828
Fancy goods	13,498	25,135	30,299
Crude and Diesel oil	50,729	161,243	96,031
Paper	10,320	8,333	3,722
Gasolene	58,391	39,763	52,524
Paint	22,007	32,484	16,709
Stationery	14,724	27,901	21,031

Chief Imports into Fiji in 1938 by Principal Countries

	United Kingdom	United States	Australia	New Zealand	Canada	India
Beer	£ 878	£	£ 17,284	£ 121	£	£
Fruit and vegetables, fresh		4,220	11,252	6,121	714	
Fish		3,621		647	16,312	
Rice			469			2,434
Flour and meal, sharps and pollard			75,843			
Mutton and beef			6,659	13,198		
Milk			4,696	121		
Spirits	19,935		817			
Tea						1,549
Cigarettes and tobacco ..	12,694		30,304			
Coal			16,331			
Timber			13,427	1,191	35,935	
Boots and shoes	3,044		3,863			1,643
Drapery	102,288	2,502	2,828			21,034
Bags and sacks						42,019
Cordage and rope	1,516		4,402		963	
Electric goods	8,252	4,838	5,584	1,176		
Machinery	73,829	27,419	69,728	561		
Iron and steel	3,730		12,714			
Pipes	16,654		10,963			
Motor vehicles	29,862	10,745			24,806	
Tires and tubes	4,728				8,506	
Cement			13,794			
Drugs and medicines ...	6,794	340	6,046			
Fancy goods	5,287	1,564	2,611			1,041
Paper	1,391		236		2,750	
Paint	8,317		11,381			
Stationery	8,189		3,388	457		
Total imports	£548,871	£129,289	£502,431	£51,505	£102,052	£105,831

imports in 1940, 1941, and 1942 as given in the latest overseas trade returns for the Colony, while the second shows the f.o.b. values of chief imports from leading countries of supply in the normal trading year 1938.

During the war years there has naturally been an appreciable change in the direction of trade, but such change cannot be regarded as other than temporary, although a considerable measure of Australia's greater participation is likely to be retained after the war. Notable changes in direction during the period of the war are:—

1. Australia is supplying increased quantities of beer, flour, fruit and vegetables, milk and cement.

2. The United Kingdom is supplying less beer, machinery, metal manufactures, cement, oils, drapery, and

cars. The only noteworthy increases are in spirits, tobacco and cigarettes, and glass and crockery.

3. Imports of all items from Canada are reduced in quantity and value, particularly fish, rope and twine, paper, tires and tubes, and cars. The one exception is metal manufactures, imports of which have doubled in value since 1938. The quantity of timber imported is halved, but the value has greatly increased.

4. New Zealand has become an important source of supply for baking powder, beer, cheese, butter, fish, fruit and vegetables, meats, milk, tobacco and cigarettes, and metal manufactures. Subsistence items were mainly for New Zealand armed forces in the Colony.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

TARGETS FOR AUSTRALIAN FOOD PRODUCTION

During 1944-45 the demands for eggs for civilian service and export consumption are estimated at 128,000,000 dozen. This is 23,000,000 dozen higher than the 1943-44 goal, which was not reached, although the estimated production of 87,100,000 dozen was a Commonwealth record.

It is expected that home production during 1944-45 will make up the difference between commercial production and requirements, writes K. F. Noble, Acting Canadian Trade Commissioner at Sydney. Civilian consumption will probably use up half the production, and the remainder will go to the Services and for export.

Other production goals are:—

Mutton and lamb—477,000 tons (1943-44 production 405,000 tons)

Beef and veal—560,000 tons (535,000)

Pig Meats—143,000 tons

Potatoes—278,000 acres (190,000)

Sugar—600,000 tons (last year's production of 507,000 tons was lowest for some years)

Wheat—9,000,000 acres

Cotton—20,000 acres

Flax—70,000 acres

During 1943-44 the only vegetables for which production goals were not reached were navy beans, carrots, parsnips, green peas and spinach. For turnips, cucumbers and marrows the figures were doubled. The potato crop, in spite of downward revision of estimates owing to unfavourable seasons, was the largest on record.

AGREEMENT WITH GREAT BRITAIN FOR FOOD PURCHASE

Arrangements have been completed with the British Government for the purchase of Australian dairy produce and meat for a four-year term ending in 1948.

In the case of meat, the period covered is from October 1, 1944, to September 30, 1948, and for dairy produce from July 1, 1944, to June 30, 1948.

The British Government is anxious for Australia to maintain and possibly increase her production of meat and dairy products, and the Commonwealth intends to send her surplus products

to the United Kingdom after provision has been made for the following:—

1. Domestic requirements (including Australian Services).

2. Supplies for Allied Forces based on Australia.

3. The quantity which the Australian Government might provide for relief requirements after consultation and agreement with the British Government.

4. The quantities which the two Governments have mutually agreed should be supplied to other markets.

This agreement will mean that Australia has an assured market for four years for her meat and dairy products.

Surplus production of all classes of meat, including beef, mutton, lamb, pig meats and offals, is covered by the agreement, but before the beginning of the last two years of the arrangement the position of pig meats will be reviewed to determine the maximum quantities which Britain will take during those years.

Arrangements have also been made for the resumption of the chilled beef trade when the shipping position permits, while the export of canned meats will be the subject of annual negotiations.

General terms and conditions of the arrangements for carcase meat, with particular reference to prices, may be reviewed at the end of two years at the request of either government on the ground of substantial alterations in conditions.

It is anticipated that the prices at present being paid for various classes of meat for export under the Commonwealth meat-purchase plan will be maintained. Although slightly higher prices may be paid by the Commonwealth Government for mutton and offals of all classes, it is not likely that there will be any change in prices now being paid for beef, lamb and pig meats.

The British Ministry of Food has also undertaken to buy all the Australian exportable surplus of eggs, in the form of egg powder (or eggs in shell, if circumstances permit) for the seasons

1944-45 and 1945-46, and a quantity not exceeding 1,000,000 cases of eggs in shell, or the equivalent in egg powder, for the season 1946-47. The purchase of the Australian egg surplus in 1947-48 is to be considered again in December, 1946.

DAIRY PRODUCTION

The position in regard to dairy production is not at present favourable in Australia, writes K. F. Noble, Acting Canadian Trade Commissioner at Sydney.

In 1938-39 the production of milk was 1,189 million gallons, of which 925 million gallons was used to produce butter, 65 million gallons to produce cheese, 36 million gallons to produce condensed and dried milk, and 163 million gallons for consumption in liquid form.

In 1943-44 the total production of milk was 1,052 million gallons, of which 716 million gallons was used to produce butter, 78 million gallons to produce cheese, 63 million gallons for condensed and powdered milk, and 195 million gallons for consumption in liquid form.

The principal factor contributing to the decrease in production was the shortage of labour. However, increased consumption of liquid milk, and greater production of cheese and powdered and condensed milk required by the fighting forces, have all contributed to the substantial decline in the production of butter.

It is estimated that the Australian butter production for 1944-45 will be 145,000 tons compared with 203,000 in 1938-39.

Colombia

PLANS TO MAKE CARDBOARD BOXES

Plans are being formulated for the establishment of a series of three plants in Colombia for the manufacture of all types of cardboard boxes and heavy packing cases, reports the World's Paper Trade Review. Prospective locations are Barranquilla, Cali and Medellin. A corporation has been formed under the joint capitalization

of Colombian firms and a prominent United States company and, when established, these proposed factories will operate under the direction of United States technicians.

Experiments in the use of bagasse as a raw material are now being carried out; but in the event of failure of these experiments, further study will be devoted to the utilization of numerous native fibrous grasses and plants which grow abundantly in this region.

India

FOREIGN TRADE, APRIL-JUNE, 1944

The total value of India's merchandise trade during April-June, 1944, was Rs.951,454,577, representing a considerable increase over the 1943 record for the same months of Rs.761,184,389. (One rupee equals approximately Can.\$0.335). Imports increased from Rs.260,964,615 to Rs.440,706,739, while export values showed a small improvement, from Rs.500,216,774 to Rs.510,747,838. The favourable trade balance is much lower than last year's figure.

India's trade with Canada continues to show a decline in both import and export values. Imports during April-June fell off from Rs.7,570,928 in 1943 to Rs.4,037,190 during the current year, while exports declined from Rs.13,233,746 to Rs.10,793,119. India's favourable balance in this trade during these three months of 1944 amounted to more than 150 per cent of the value of imports of Canadian goods.

It may again be noted, in this latter regard, that Indian Government trade statistics refer only to commercial trade and take no record of imports of war materials, service supplies, and similar goods entering the country.

Newfoundland

REVENUE AND EXPENDITURE

Newfoundland's revenue for the seven months ending October 31 amounted to \$22,132,000 as compared with estimates of \$16,332,000. Expenditures during the same period amounted to \$14,941,000, or approx-

imately \$2,900,000 more than estimated. Revenue for the month of October at \$2,249,600 was approximately \$148,000 more than was recorded in October, 1943. On the other hand, expenditures for the month increased by slightly less than \$500,000 to \$2,032,400.

New Zealand

HOUSING PROBLEMS

The shortage of housing in New Zealand has reached an acute stage, and, according to reports in the New Zealand press, the progress of the government building program is being seriously held up by lack of materials and equipment, as well as by reason of increased costs.

The crux of the problem appears to be that building costs have risen so substantially since the outbreak of war that it is no longer economical to erect further houses at the present rentals. Authorities state that there has been an over-all increase of about 32 per cent in housing costs since 1939. On the other hand, rentals have remained stationary, the net standard rent being 26s. a week for a four-roomed state house, and 29s. a week for a five-roomed unit.

The costs of materials, exclusive of tax, have risen by about 15 per cent. Imported materials have increased in price by more than that figure but this is counterbalanced by a smaller rise of about 9 per cent in New Zealand manufactured goods. Wages have accounted for a further increase of about 40 per cent.

It is claimed that by far the greatest factor in raising building costs is taxation, which is stated to be as much as 300 per cent higher than in pre-war days. Other factors which enter into increases have to do with manpower, such as skill in building and shortage of labour.

Future developments in the whole scheme of government building, therefore, are obscure. Shortage of materials still precludes erection of any large number of private houses or business premises and the builder has little alternative but to accept state con-

tracts. Under present conditions, there seems little prospect of the program getting into its stride until the problems of materials and costs are resolved.

South Africa

PRODUCTION OF VERMICULITE

Extensive development work has been carried out and is continuing in South Africa for the purpose of exploiting the vermiculite deposits occurring in base-metal claims in the Pietersburg District of the Northern Transvaal, reports H. L. Brown, Canadian Trade Commissioner at Johannesburg. The South African Vermiculite and General Industries Limited has been installing plant for pre-treating, cleaning and exfoliating the material, which is claimed to have sound-proof, heat-proof and vermin-proof characteristics, making it a useful raw material for light-weight concrete, prefabricated materials and plastics of various kinds. The company began production some months ago of flooring, refractories and insulation material and was expected to begin large-scale production of pre-cast, light-weight concrete slabs for construction work about the end of October.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 104, effective December 11, 1944, Group 9 of Annex No. 1 to Export Permit Branch Order No. 103 of November 22, 1944, is amended, with respect to the exemption of brushes, to read as follows: *Brushes, other than those containing hog or pig bristles.*

Accordingly brushes containing hog or pig bristles will require an export permit when shipped from Canada to any destination.

Australia

IMPORT LICENSING REGULATIONS FURTHER RELAXED

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date

Sweden

POST-WAR PULP AND PAPER

Prospects for post-war exports of the Swedish wood and pulp industries are considered good in Swedish trade circles. Large quantities of timber will be required, not only in Britain, but also in Denmark, France, Belgium, Holland and other countries, and it appears that Sweden is the only country which will be able to deliver timber and pulp immediately after the war. From Swedish sources it is stated that much interest has been caused by negotiations of the British Paper Controller with Swedish pulp producers concerning the delivery of 250,000 or 300,000 tons of cellulose and 75,000 to 100,000 tons of mechanical pulp (dry weight) during the twelve months immediately after navigation between Sweden and Britain can be resumed.

Swedish experts are reported as stating that the projected deliveries to Britain are only a small part of the production capacity of Swedish mills, which amounts to 200,000 tons monthly of cellulose for export. In addition, there are more than 500,000 tons of cellulose in stock ready for immediate export.

October 23 that, with effect from October 1, 1944, the Australian Customs (Import Licensing) Regulations have been further relaxed.

Braids, straw or grass for hat-making; hoods, other than of felt; hat forms of braid or similar materials sewn with a visible stitch but not blocked or further processed; braids, other than of grass or straw (Tariff Item 404); hair nets of natural or imitation hair; and colour cards, when of non-sterling origin are now permitted entry up to 100 per cent of imports during the base year ended June 30, 1939.

Licences may be issued to cover hair nets as mentioned above, classified under Tariff Item 111(C), imported prior to October 1, while all braids, straw and grass for hat-making, classi-

fied under Tariff Items 106(C) (1) and (2), may be grouped to form a single specification.

Paper felts for use in the manufacture of bituminous roofings and floorings, when of sterling origin, which were previously prohibited, are now permitted entry up to 25 per cent of base-year imports, while a further list of sterling household enamelled ware has been placed under Administrative Control.

For the licensing quarter ending December 31, 1944, the quota of cotton piece-goods allocated for export from British India to Australia is 11,754,723 yards, while the quota of cotton yarn for the same period is 150 tons.

Effective October 25, no quota will be required for importations from non-sterling countries for books and printed matter relating to technical, scientific, medical and theological subjects, bibles, prayer and hymn books, missals, English language dictionaries (costing \$1.50 and over in country of origin) and foreign language dictionaries.

Regulations governing the importation of periodicals and magazines have not been altered. Books of the types known as westerns, detectives, crime and light romance, fiction in paper-covered editions, children's toy books, other dictionaries and other printed matter are still prohibited entry, but other books and music books are now permitted entry up to 100 per cent of the value of base-year imports when of non-sterling origin.

EXCHANGE CONDITIONS IN BRAZIL

By L. S. GLASS, *Canadian Commercial Attaché at Rio de Janeiro*

Exchange for commercial uses continues in ample supply in Brazil. During the war Brazil has succeeded in building up a very impressive reserve, both at home and in the United States of America.

The Brazilian Minister of Finance, in a speech made earlier in the year, made public some very interesting figures relating to the question of ex-

New Zealand

LICENCES FOR IMPORTS OF TOBACCO PIPES AND COFFIN FURNITURE

Mr. C. B. Birkett, Acting Canadian Trade Commissioner in Auckland, advises that, according to a notice of the New Zealand Customs Department dated October 24, 1944, licences granted for the importation into New Zealand of tobacco pipes from the United Kingdom in 1945 may be utilized for the importation of tobacco pipes from Canada or the United States, conditional on imports being confined to pipes in the less expensive grades. According to a notice of October 27, 1944, licences granted for imports of coffin furniture from the United Kingdom in 1944 and 1945 may be transferred on request to Canada.

Trinidad

1944 IMPORT LICENCES TO BE EXTENDED

With reference to the notice published in *Commercial Intelligence Journal* No. 2128 (November 11, 1944), page 451, respecting the liability to confiscation in Trinidad of Canadian imports arriving in that Colony after December 31, 1944, unless covered by import licences endorsed "1945 Programme", Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, advises that the Secretary of the Trinidad Control Board has agreed to automatically renew import licences for all goods shipped to Trinidad under valid 1944 Canadian export permits issued up to December 31, 1944.

change. Brazil's gold stock is to-day valued at over US\$255,500,000 and foreign exchange balances amount to a further US\$198,500,000, bringing the total to US\$454 million. The Minister considered that certain reserves must be set up and maintained to meet Brazil's immediate post-war needs. These were described as being 1,800 million cruzeiros for extraordinary im-

ports of machinery and equipment to rehabilitate Brazilian industry, which has suffered from the scarcity of new machinery and the wearing out and obsolescence of present installations; 500 million cruzeiros to take care of extraordinary imports of durable consumer goods; 2,000 million cruzeiros to guarantee the balance of payments; and 500 million cruzeiros to care for the repatriation of refugee capital. This makes a grand total of US\$240 million.

The 1,800 million cruzeiros (US\$90,000,000) envisaged for the rehabilitation of industry is probably the item of greatest interest to Canadian exporters. There is little doubt that this money will be spent, or at least a large part of it. Recent legislation introduced in Brazil provided for a tax on the excess profits made by industry. An alternative was given to those having to pay this tax, whereby they might deposit with the Bank of Brazil twice the amount of the tax collectible, which would be made available to the taxpayer after the war in any currency in free circulation for the purchase abroad of new machinery and equipment. Needless to say, few have failed to take advantage of this opportunity.

There were recently in circulation rumours to the effect that the cruzeiro was about to be devalorized. Such a happening would, of course, benefit exporters of Brazilian products to the extent that the cruzeiro value of the exports would increase proportionately with the extent of the devalorization. That this was not the policy of the Government was categorically stated by the Minister of Finance. To support this statement, the cruzeiro immediately firmed, instead of weakening.

Thus Brazil's present exchange situation may be described as excellent. After deducting the reserves previously mentioned, Brazil has a surplus balance of over 214 million dollars which should, with the addition of further

balances steadily accruing, carry the country through the post-war transition period (for the first three months of 1944 the balance was approximately \$34,500,000). It must not be forgotten, however, that these balances have been built up by abnormal war conditions: inflated export values, exports of goods not normally exported from Brazil, curtailment of imports through lack of supply and scarcity of shipping, and further, and by no means unimportant, the lavish expenditures in Brazil by the United States.

It is to be expected that after the war export values will decrease, there will be a lessened demand for many goods for which war creates or increases the demand, imports (as already envisaged by the Government) will increase, and wartime expenditures by the United States will cease. Whether or not Brazil will be able to meet post-war competition successfully has yet to be seen. It is difficult, therefore, to forecast more than the immediate future.

Recent developments on the European war front are having a quite marked effect on the attitude of Brazilian businessmen, which is reflected in a definite falling-off of sales. Many are firmly convinced that the war in Europe will terminate any day, that with its cessation prices will overnight become a fraction of what they are to-day, and that, through the immediate removal of wartime restrictions and an abundance of shipping, ample supplies of all goods will be available. As regards foreign trade, this has been manifested in certain cases by the cancellation of existing contracts and there have also been reported cases where importers have neglected to take up shipping documents. In view of this situation Canadian exporters might consider it advisable to request payments by irrevocable letter of credit, except where the integrity of the importer is known.

October 20, 1944

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Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 11, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 11, 1944, and for the week ending Monday, December 4, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 4	Nominal Quotations in Montreal Week ending Dec. 11	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2758	.2758	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6351	.6351	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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Colombia

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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HIGHLIGHTS OF THE INTERNATIONAL BUSINESS CONFERENCE

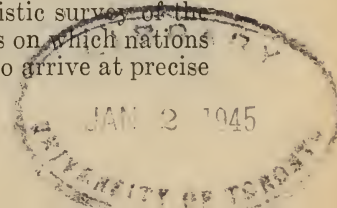
By B. C. BUTLER, *Canadian Trade Commissioner at New York*

The world press reported daily upon the International Business Conference which was held at Rye, New York, from November 10 to 18 under the auspices of the International Chamber of Commerce, the Chamber of Commerce of the United States, the National Association of Manufacturers of the United States, and the National Foreign Trade Council Inc. This article will touch upon some of the highlights and review the final reports which have now been made available.

Representing fifty-two countries, each of which was limited to six delegates and six technical advisers or alternates, the Conference was entirely non-political in character, and its purpose, to quote from the official invitation, was "to bring together on a world

basis representatives of leading business organizations from allied and neutral countries for a discussion of economic problems which affect the business interests of their countries nationally and internationally and thus aim to establish a better basis for world relations and world trade."

Eight subjects were nominated for the agenda, and separate sections or committees were set up to discuss each subject in private and report their findings at the plenary sessions on the last two days, when the reports were debated publicly. Recognizing that each country has certain vital economic interests and commitments, the aim was to provide a realistic survey of the eight principal factors on which nations disagree rather than to arrive at precise



solutions. The underlying principles observed in the preparation of the reports were:—

1. That there can be no permanent military peace in a world of economic conflict; and

2. That there can be no high level of prosperity and jobs in this or any other country until international trade is restored and expanded.

The following notes summarize the reports of the eight sections as finally approved by the Conference.

Private Enterprise

The consensus of the committee dealing with this subject was that private enterprise (i.e. the right of an individual to set up in business for himself, to venture his personal efforts and capital in the hope of making a profit but risking the possibility of failure) is the best known system for promoting and maintaining prosperity, employment, higher standards of living and peace. Governments were therefore urged to foster private enterprise by adherence to the following principles:—

1. Equality of opportunity.
2. Equality under law.
3. Reward for initiative.
4. Privilege for thrift.
5. A tax structure that encourages incentive and risk.
6. Restriction of monopoly.
7. Abstinence of government from competition with private business.
8. Freedom of production and sale.
9. Equitable distribution of profits, with consumers' and labor's interest safeguarded to the end that more and more things may be supplied to more and more people, thereby producing maximum employment at the highest possible level of wages.
10. Government—under law—that will provide encouragement to business through provision of an economic atmosphere in accord with the above principles.

The existence of state controls in certain countries was regarded as probably desirable in specific instances and dur-

ing periods of emergency, but the extension of such practices or their maintenance after the need for them has disappeared was deprecated.

Raw Materials and Foodstuffs

The production of these items being the most basic and widespread throughout the world, their free interchange was considered essential to international prosperity. The following conclusions were stated:—

1. Production, processing and distribution of raw materials and foodstuffs should be in the hands of private management, with governments co-operating in the fields of statistics, research and education.

2. The elimination of trade barriers and discrimination of all kinds should be the cardinal point of national and international policies.

3. Production solely for purposes of national self-sufficiency should be discouraged, the emphasis being on low-cost production.

4. Standards of quality, weights and measures should be established by an international organization.

5. Expanding industrial uses of agricultural products should be fostered by co-operation in the realm of research between agriculture, industry, universities and governments.

6. Improved dietary, clothing, housing, medical and health standards should be emphasized by the public educational systems of the various countries, integrated through an international organization.

7. Miscellaneous conclusions for facilitating the free flow of raw materials and foodstuffs were suggested as follows:—

- (a) Reopening of all commodity futures markets at the earliest possible date.
- (b) Stabilization of exchanges.
- (c) Re-establishment of ample steamship services.
- (d) Free and equal access to raw materials and foodstuffs.

- (e) Restoration of orderly disposition of raw material and food-stuff surpluses to private business channels.

Encouragement and Protection of Investments

Creditor countries can justify foreign investments only by reasonable expectation of returns in the form of goods and services, but such investments should be related to the ultimate improvement of the peoples of the recipient country. Creditor countries should, therefore, reduce impediments to the importation of goods and services from debtor countries and should recognize the right of those countries to safeguard their national resources against wasteful exploitation. Thus, borrowing and lending countries should have regard for the mutuality of their interests.

Private enterprise has in the past assumed the responsibility for making capital available for the development of latent resources, but government loans or credits may be required in the interests of national defence or public welfare.

Nations requiring foreign capital should make a conscious effort to give such capital adequate protection by adherence to contracts and concessions, consistent interpretation of laws, ensuring equivalent rights to foreign capital as enjoyed by domestic capital, and providing adequate compensation in the event that expropriation should become necessary on grounds other than racial or religious. Freedom of exchange and the transfer of funds should be safeguarded, and tax treaties should be concluded between friendly countries, defining the tax sphere of each in order to afford relief from double, extra-territorial and other forms of taxation which obstruct investments.

The restoration to rightful owners of title to properties should precede any settlement reached with the Axis powers, and assets frozen by the United Nations in the names of private citizens

of allied or neutral countries should be released as soon as possible after the liberation of occupied countries.

In conclusion it was recommended that the foregoing points be incorporated into an international code of fair practice and business ethics.

Industrialization in New Areas

Increased consumption and high living standards go hand in hand with the effective use of the national resources of each country, supplemented by international trade. Increased industrialization will alter the pattern of world trade but will also increase its tempo to the benefit of the whole world. However, the desired aim for each country should be a balanced development, the result of too rapid industrialization being economic dislocation.

Countries that seek to industrialize should bear in mind that their success depends upon:—

1. Raw materials of proper quality and quantity and at competitive prices.
2. Adequate and reliable sources for the economic production or purchase of power.
3. Availability of national or foreign management, and of labour, with the necessary degree of skill.
4. Labour laws and administrative practices which are fair and reasonable.
5. Markets which are sufficiently broad and available.
6. Tax systems and administrative regulations which permit the hope of earning and retaining an adequate return on capital.
7. Access on equal terms, and without restriction, to sufficient foreign exchange to provide funds for interest and amortization payments on loans and dividends on equity capital.
8. Over-all unit production costs which permit profitable operations.

Coupled with the above are the following essentials: adequate capital, efficient plant and equipment, competent management, and technical knowl-

edge. If the country desiring to industrialize lacks these essentials and if some foreign country can provide them, they should be admitted freely, and the personnel should be accorded equal treatment with local personnel. Underlying all these considerations is the need for political stability and justice, and to these ends it was recommended that an international code of fair practice and business ethics be adopted.

Currency Relations

Attention was directed to basic policies rather than special problems of individual countries or the intricacies of monetary technique. The Bretton Woods proposals and alternative plans were reviewed, and general agreement was expressed that gold should be maintained as a constituent part of the post-war international monetary system. That system might be modified, but it should provide stable parities and freedom of international payments. The establishment of a stable relationship between the United States dollar and the pound sterling was considered essential.

The dislocation of the financial structure of many countries was discussed, in particular of those countries which have suffered enemy occupation. It was agreed that no monetary stability, nationally or internationally, could be achieved without an accompanying freedom in the exchange of goods between nations.

Transportation and Communications

The report of this section urged the restoration of the freedom of the seas and commerce and opposed the forceable allocation of world shipping. However, it was felt that, by multi-lateral agreements between countries, arrangements could be made for private transportation companies to provide adequate and economical services for the uninterrupted and orderly movement of international commerce.

The following measures were recommended for facilitating cargo movements:—

1. The creation of additional free port facilities for the distribution of the world's goods.

2. Provision for a more general acceptance and use of standardized negotiable through bills of lading.

3. The liberalizing and standardizing of rules and regulations governing international transit.

4. Closer co-operation between operators of transportation facilities to the benefit of travellers and cargo movements.

5. The simplification and, wherever possible, complete elimination of commercial documents required by the consulates of many countries. It was stressed that such documents are merely a pretext for extracting revenues, and it was recommended that, if such revenues were necessary, the governments concerned should collect them at their ports of entry by means of customs tariffs, thus saving time and expense for shipper and consignee.

6. The resumption by chambers of commerce, forwarding agents and other bodies of active promotion of international trade at the earliest opportunity.

Encouragement to travel by commercial representatives, students and tourists was recommended by simplifying and speeding up the issuance of passports and other documents of identification and by abolishing the system of visas for such travellers.

An international conference of transport interests was advocated, with a view to formulating plans to implement the committee's recommendations and to standardize practices.

The remainder of the report of this committee deals with details of post-war shipping facilities, types of vessels expected to be in service and required, reconstruction of damaged harbour and dock facilities, control by an international agency of shipbuilding by enemy countries, domestic and inland transportation, and telephone, telegraph and radio communications. There was a full discussion of air transportation,

but it was not recorded, no doubt in order not to trespass upon the ground being covered at the concurrent Air Conference in Chicago.

Commercial Policy

It was agreed that the first objective of commercial policy of nations should be the raising of the standard of living of all peoples and that this objective could be best served by the restoration of multi-lateral trade and the removal of trade barriers. The legitimate aspirations of countries to diversify their economies was recognized, but it was urged that these aims should not be pursued along strictly nationalistic lines and without regard to the economy of other countries. To achieve these objectives and promote freer trade, the following recommendations were made:—

1. A Multi-lateral Trade Convention committing contracting countries to progressive lowering of tariffs; elimination of quotas and import embargoes; unconditional and unlimited adoption of the most-favoured-nation clause in commercial treaties; abandonment of discriminatory practices, particularly those leading to closed trading systems; abandonment of national sales and production monopolies.

2. The negotiation of treaties of commerce having effect for periods of at least ten years, thus enabling international trade arrangements to be made for that term.

3. An International Economic Charter between governments, to be formulated by the Multi-lateral Trade Convention.

4. An international economic organization entrusted with the task of supervising and co-ordinating national commercial policies in accordance with the spirit of the Economic Charter.

5. Governments of creditor countries should make special efforts to increase their imports and thus enable debtor countries to meet their obligations.

6. The huge demand for goods and services that is expected to follow the

conclusion of hostilities should provide governments with an opportunity to liberalize their trade policies, thus laying the foundation for expanding world trade and mitigating the difficulties of the transition period.

7. The system of government subsidies for surplus exports should be discouraged.

Cartels

Cartels were defined as agreements between private parties or governments to regulate production, establish orderly marketing, co-ordinate prices, and provide the exchange of technical information, experience and patents. Two diametrically opposite points of view were presented.

One group argued that such agreements limit trade, discourage competition, raise prices, retard development, prejudice national security and economy, and place the control and direction of trade in private hands when such agreements are non-governmental. The other group, with equal emphasis, advanced the view that such agreements promote the exchange of technical information and patents, improve quality, lower costs and, by reconciling supply to demand, maintain and increase employment, further peaceful trade relations, raise living standards, and open and expand markets in an orderly and progressive fashion.

It was agreed that the benefits of such agreements should be preserved, but that the governments concerned should ensure that the agreements are not harmful to the public interest by examining their effect upon employment, standards of living, industrial development, prices and volume and flow of trade.

It will be observed that there was some inevitable duplication in the recommendations made by the various sections, the most significant being the several recommendations for the establishment of international bodies charged with the responsibility of regulating and standardizing certain phases of international trade.

REPRESENTATION IN NEWFOUNDLAND

By R. P. BOWER, *Canadian Trade Commissioner at St. John's*

There are two satisfactory ways of marketing Canadian goods in Newfoundland: (1) through a resident agent in Newfoundland, selling on a commission basis; and (2) by periodical visits of factory representatives.

Both these methods are followed with success and, whether an exporter should adopt one or the other will depend largely on the type of goods involved.

Now that Canadian exporters are again considering the possibilities of

overseas markets, they are strongly urged to establish contact with the Canadian Trade Commissioner at St. John's, Newfoundland, before making any agency arrangements in that territory. There are a number of conditions affecting that market to-day which make it particularly important that the greatest care be taken in appointing agents, and exporters should therefore communicate with the Canadian Trade Commissioner in all cases where representation is under consideration.

PROBLEMS OF THE UNITED KINGDOM FURNITURE INDUSTRY

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

Substantial quantities of Canadian woods were used by the United Kingdom furniture industry before the war, and to that extent Canadian lumber exporters will be interested in the future position and prospects of the industry in this country. It will be known that enemy action and the curtailment of manufacturing facilities have created a difficult problem which has been met during the war by the improvisation of simple utility types and the restriction of purchase to certain categories of necessitous consumers.

In a report to the United Kingdom Government, the Furniture Industry Post-War Reconstruction Committee state that they are without any real information as to what supplies of raw materials, either in quantities or kind, are likely to be available in the transition period, and that without such information it is impossible for the trade to make any post-war plans of value. The Committee place on record their grave anxiety in regard to the availability of timber and other raw materials (particularly steel springs, filling materials, shellac, fittings, and glue) on which depend the future of the industry and re-employment of labour and the satisfaction of the urgent needs of the public.

Attention is drawn to the fact that the furniture industry relies upon adequate supplies of imported timber (including hardwood, soft woods, veneers, and plywood) and that in present circumstances the Government has full responsibility in this regard, and the industry is unable to take any steps to provide for its own future needs. The Committee urge that the trade should be taken into immediate consultation by the Government on the whole timber position. In this connection they recommend that the machinery of the Timber Control should be adjusted so as to include a joint committee composed of representatives of the timber merchants and importers, of consumers of timber, and of representatives of the government departments concerned, and that this committee should be called upon to play an active and continuous part in the problems involved.

Plant and Machinery

As regards plant and machinery, the Committee express the opinion that, owing to the disorganization suffered by the industry during the war, a medium of control of distribution and use of manufacturing equipment will

be necessary for a short period after hostilities cease, and they suggest that control could best be exercised by the existing Machine Tool Control.

Concerning veneering plant, the Committee's view is that, if plywood is to be used in furniture construction instead of hardboard and if a large part of that plywood does not have to be veneered, as was the case before the war, then there are ample veneering facilities available. The position might well be otherwise if hardboard and not plywood is to be used, for this would need extra veneering facilities depending upon the extent of its use. Plywood manufacture has been increased during the war and, therefore, there should be a number of additional presses, some of which may be available to the furniture industry.

Kilning Facilities

The Committee are unable to reach any conclusion as to the sufficiency or otherwise of kilning facilities. These have expanded during the war but,

since many furniture manufacturing units are small and cannot own their own kilns, appropriate steps should be taken to build up stocks of seasoned timber.

The report suggests that firms who were manufacturing furniture before the war (but who are not now doing so) and who propose to return to the industry when allowed to do so should be encouraged to purchase timber on seasoning licences and should be given financial assistance now for the building of kilns at their premises to the extent of receiving government grants.

Quality Standards

The Committee state that they are satisfied that the industry as a whole is in entire agreement with the recommendation that there should be fixed some minimum standard of quality of furniture production, and they propose the establishment of long-term machinery for formulating as early as possible specific proposals to this end.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

14. GOLD

By R. J. McDOWALL, *Mining, Metallurgical and Chemical Branch, Dominion Bureau of Statistics*

Threads of gold provide the richer hues in the tapestry of Canadian mining history. From the Appalachians and the Atlantic in the East to the Cordilleran region in the West, and northward from the fringe of the great plains and from the older sections of Ontario and Quebec towards the Arctic, is woven the story of the Argonauts.

The history of the metal in Canada goes back for almost three centuries. In 1654 Louis XIV of France granted a concession to Nicholas Denys to mine gold in Nova Scotia, and in 1770 Alexander Henry, a trader, formed, with the Duke of Gloucester, an English company to develop minerals near Sault Ste. Marie, Ontario. However, it was not until 1823 that the discovery of gold was officially reported in Canada. It is related that the finding of

alluvial nuggets in that year was made by a young woman while fording the shallows of the Chaudière river in southeastern Quebec.

British Columbia Gold Rushes

Widespread prospecting in far Western Canada followed the great California gold discoveries of 1849. In 1852 auriferous quartz veins were located at Mitchell Harbour, Queen Charlotte Islands, which resulted in the first lode-mining rush in British Columbia. In 1855 ex-servants of the Hudson's Bay Company discovered placer gold in the same province at the mouth of the Pend d'Oreille River, and in 1857 Governor James Douglas issued a proclamation regarding the working of gold mines in the Kamloops, Ashcroft and Vernon areas.

In 1858 the discovery of placer gold in the lower reaches of the Fraser River resulted in a rush to this area of miners from California, and by the following year prospectors had penetrated to Cariboo and Quesnel. Then followed the colourful years of the Cariboo Trail and the roaring days of early Barkerville with its bonanza placer diggings.

Early Nova Scotia and Ontario Discoveries

The golden threads of the weaver now moved once again towards Eastern Canada—for from sea to sea the spirit of adventure was spreading among the virile pioneers of a nation in the making. From Nova Scotia came the news in 1860 that lode gold had been discovered in the Tangier district by John Pulsiver. This was followed from 1862 to 1865 by similar discoveries in that province at Oldham, Lawrencetown, Isaacs Harbour, Renfrew and Mount Uniacke.

Probably the most significant discovery of gold in Canada from a geological viewpoint was made near Madoc, Hastings County, Ontario, in 1866. This event represents the first officially recorded discovery of gold in the rocks of the enormous Canadian pre-cambrian shield. Although the area was disappointing from an economic standpoint, it provided the geologist with much valuable information for the future exploration and study of other and newer sections of the north-land.

Trappers, lumbermen, surveyors and prospectors were now rapidly becoming mineral conscious, and with their penetration of the wilderness came more discoveries in the far-flung solitudes of the great hinterland. Gold was first found in the Yukon River in 1869; in 1878 it was discovered in the Lake of the Woods district in Ontario; and during 1883 copper-nickel ores were located near Sudbury, Ontario. The completion of the Canadian Pacific Railway in 1885 greatly facilitated the development of many ore deposits, the well-known Rossland camp in southern British Columbia being opened in 1889.

The Klondike

Then, a few years later, in 1896, came to the outside world the first news of the Klondike—a name which will probably remain ever outstanding in the history of Canadian gold mining—certainly the most colourful and romantic. Some of the Klondike creeks were exceedingly rich with single pannings known to have run into the hundreds of dollars. The great rush reached its peak in 1898 when Chilcoot, Skagway, White Horse and Dawson became world-known names.

During 1900, the maximum year of production, the gold output from the Yukon totalled 1,077,553 fine ounces which, valued at the present price of gold, would amount to \$41,486,000. Production from the same sources from 1897 to 1906 inclusive, at the same price, would total \$222,563,100. With the exhaustion of the bonanzas, the old order yielded to the new and the rocker and the pan of the prospector has been largely replaced by the higher efficiency of the modern gold dredge.

This same period also witnessed in British Columbia the discovery of the Pioneer, Copper Mountain, and the Britannia mines, and the Atlin placer deposits.

Great Discoveries in Pre-Cambrian Shield

Later, in Eastern Canada, gold discoveries were made during 1906 at Lake Fortune in northwestern Quebec, and at Larder Lake in Ontario, and in 1908 came the first discovery of gold in the Porcupine area. This was followed in 1909 by the discovery in the same area of the Hollinger, McIntyre and Dome mines.

In British Columbia the Premier mine was located in 1910, and in the following year gold was discovered at Kirkland Lake, Ontario. The first recorded discovery of gold in Manitoba was made at Rice Lake in 1911, and four years later the Flin Flon copper-gold deposit was discovered.

A very important event in the history of Canadian mining was the discovery

in Quebec during 1921 of the Noranda copper-gold deposit. This was the immediate forerunner of several other important discoveries in the province of Quebec, including the Amulet, Waite, and Siscoe. The year 1923 witnessed the discovery in Manitoba of the Sherritt-Gordon mine, and in 1925 that of the Howey mine, the first major gold find in the Red Lake area of Ontario.

The decade from 1930 to 1940 witnessed a very extensive program of exploration and development of gold-bearing deposits throughout the auriferous areas of Canada. In Ontario new mines in the Little Long Lac and Patricia districts were brought into production and important new producers added to the Porcupine, Kirkland Lake and Larder Lake camps. In northwestern Quebec, several new and valuable gold properties were successfully developed.

In 1938 the Box Gold mine was developed near Goldfields, Saskatchewan, and in the same year the Consolidated-Rycon property was brought into production at Yellowknife, Northwest Territories. Gold was also discovered during 1938 in the Northwest Territories at Thompson, Wray and Russell Lakes. Yellowknife is Canada's youngest lode gold-mining camp and results so far obtained augur well for its success in the future.

Value of Production

Gold production has been a very important economic factor in the development of Canada. Since 1858, the first year for which records are available, to the close of 1942, Canadian auriferous deposits have yielded the metal to the value of \$2,431,280,000. Production reached an all-time high in 1941, when the mines of the nation recorded an output of 5,345,179 fine ounces valued at \$205,789,392.

The total figures of Canadian gold production include recoveries of the metal from all types of ores. By far the greater part is obtained from lode quartz ores. In 1941 these recoveries,

by percentages, were: alluvial deposits, 1·99; gold quartz ores, 86·90; copper-gold ores, such as those of the Noranda and Flin Flon mines, 9·25; nickel-copper ores, 1·46; and silver-lead and other ores, 0·40.

The increase in the value of gold since September, 1931, when Great Britain went off the gold standard, has contributed tremendously to the great expansion in Canadian gold production. Gold in Canadian funds is now approximately 86 per cent greater in value than in August of 1931.

Another important event in the recent history of gold was the proclamation issued by the President of the United States on January 31, 1934, whereby the gold weight of the United States dollar was reduced from 25·8 to 15½₂₁ grains, 0·9 fine. In 1935 the Canadian gold bullion tax was discontinued and depletion allowances revised for payments of gold-mining dividends.

The great increase in the value of gold has permitted the mining of ores heretofore considered as uneconomical; this is shown by the fact that the average grade of all auriferous quartz ores treated in Canada has fallen from 0·41 ounces of gold per ton in 1931 to 0·24 ounces per ton in 1942.

Gold Mining in Canada's Development

Coincident with the development of Canadian mineral deposits has been the almost general growth of northern mining towns. The social and industrial life of these places now compares favourably with that of the more mature communities to the south. Most of these urban mining centres have evolved a relatively high standard of living—public works include water, electric, telephone, radio, and sewage systems, and transportation facilities are in most instances provided by rail, highway, air, or water. Industries ancillary to mining and farming and including packing plants, printing, dairies, sawmills, etc., have been established at many strategic locations. A

highly efficient retail trade has developed. Religious and educational privileges are made available to the very diversified racial groups in even the most remote of mining camps. In these youthful outposts can be seen most vividly the current synthesis of a new Canadian from the many racial stocks of the old world.

In 1941 the lode gold mines of Canada provided direct employment to nearly 32,000 persons and paid \$61,000,000 in salaries and wages. From the manufacturers of steel, explosives and various other products were purchased goods amounting to nearly \$21,000,000, and in addition \$8,336,000 was expended for fuel and electricity. Capital employed totalled \$243,139,000.

Of the total net value of commodity production in Canada for 1941 of \$4,720,073,000, the entire mining industry contributed 11.67 per cent, of which 3.84 per cent is credited solely to the lode gold mines. Reflecting the magnitude of the physical operations is the fact that in 1941 over 20,000,000 tons of Canadian gold ores were mined, or approximately 2,000,000 tons more than the entire tonnage of coal produced in Canada during the same period.

A recent survey conducted by the Dominion and Ontario and Quebec Departments of Agriculture indicates the importance of mining development in the colonization of northern areas. "Mining preceded agricultural development in Temiskaming and Cochrane districts of Ontario and provided ahead of production a market for all farm produce. Temiskaming district was opened up largely by the cobalt mines. When the most important of these ceased production, Kirkland Lake and Porcupine came along to take their place. There are about 4,000 farmers in these two districts. How dependent they are on the mining towns may be indicated in the instance of Kirkland Lake, where a farmer's market was established in 1927. This market developed with gold mines until in the year 1940-41, when the study was made,

some \$417,618 worth of produce was sold by local farmers, half of which was actually at the town market. Since much of the bush has been exhausted in South Temiskaming, farmers must rely more and more upon the mining populations to consume their products. It is to be noted and expected that they would as the years go on provide more and more of the requirements formerly supplied from Western Canada and Southern Ontario."

Gold in External Trade

The fact that gold is a money metal gives it peculiar attributes which distinguish it from other commodities in trade. In particular the movement of gold in international trade is determined almost exclusively by monetary factors. The amount of exports may fluctuate widely owing to other than ordinary trade or commercial considerations. In addition, gold is generally acceptable. It does not have to surmount tariff barriers and is normally assured a market at a relatively fixed price.

It is to be noted further that gold does not move in international trade in any direct or normal relation to sales and purchases. It may be bought or sold abroad without moving in or out across the frontier, the sales or purchases in such cases being recognized by simply setting aside or "earmarking" the gold in the vaults of the central bank.

Canada's production of gold in relatively large amounts during the last fifteen to twenty years has been of great importance in the balancing of this country's international accounts. By furnishing us with a means of obtaining supplies of United States dollars, it has been a valuable asset during the war in assisting in the importation of essential materials for the war effort.

Post-war Prospects

Canada now ranks second among the gold-producing countries of the world, and it is quite logical that she may

retain this position indefinitely. The ore reserves of the larger companies are considered satisfactory and the coming of peace and the lifting of war-time restrictions should witness the resumption of exploration and development and the bringing into production of new mines.

Hydro power is widespread throughout Northern Canada, and the older mining districts are now serviced by highly efficient hydro-electric networks. The development of new mining districts will tend to increase the development of our widespread water powers and other latent resources and will speed the opening up to industrial life of our great land of lakes, forests and rivers.

The area of Canadian pre-cambrian rocks—the principal host for metalliferous wealth—is estimated at some 1,825,000 square miles. The Chief Geologist of the Geological Survey of

Canada has stated that geological information is very incomplete for Canada; less than a fifth of the Dominion has been studied in any adequate manner. He also reports that present information indicates that the pre-cambrian complexes of ancient rocks are the best hosts for ores of the gold-quartz type. Over a hundred mines of this type have been opened and all lie within the complexes. The ores were derived from igneous sources and as igneous rocks exist almost everywhere in the shield, mineral deposits may be much more widespread than is suggested by present mines, and search for new deposits should not be confined to the present complexes. The Cordilleran region comprises all of Canada west of the Plains region; the potential metalliferous part includes practically all of Yukon except the southeastern corner, and all of British Columbia west of the Rocky Mountain Trench.

LAND SETTLEMENT IN NEWFOUNDLAND

By R. P. BOWER, *Canadian Trade Commissioner at St. John's*

Newfoundland has a history of state-organized land settlement dating back to 1934. At present nine such settlement schemes are functioning. These varied in size when they were established; the largest comprised ninety-five families, and the smallest nine. The more progressive settlements have maintained their numbers, families that withdrew from the scheme being replaced by others, while the less attractive ones have tended to decline in size. To-day the largest settlement has seventy-three families, and the smallest eight.

The settlements consist of concentrated holdings of small size, ranging from 10 to 50 acres, of which 3 to 12 acres are cleared. It is not intended that the settlers make a living from their holdings, but rather that they use them as a base for their normal occupations, where they can grow some vegetables, perhaps keep a cow and some chickens, and where they will be within reach of educational and other

facilities that might be unavailable elsewhere.

A great deal has been learned about land settlement in Newfoundland since the first scheme was started, and many changes in the method of selecting participants, in operation, and in the forms of assistance granted have been introduced.

History

Government-aided land settlement in Newfoundland was started during the depression year 1934. Unemployment in St. John's and an acute housing problem at that time led the Government to consider the prospects of settling people on the land, where they could supplement their dole payments and rations with food of their own production and where they could be centralized so that public services could be more thoroughly and more cheaply provided and administered.

Originally the only applicants considered were married men in receipt

of relief. The result of this policy in many cases was that the least desirable types were obtained as, generally speaking, the most industrious individuals were those who managed to keep off relief the longest. The dole qualification was later modified to good effect, although the provision that a man must be married to qualify for any of the schemes still applies. Applicants were all personally examined, and only those in good health and considered desirable in other respects were accepted.

When a family had been selected, the Government built a cottage on the site chosen, and the man and his family completed the inside work on it with materials supplied by the Government. The houses varied as to design but were all of the bungalow type, with as many as five rooms, and, at the time, could be built for about \$500 each. The Government now plans to ask the settlers to make a nominal payment for the houses, the amount to be decided later.

A credit of \$100 was established for each family for the purchase of household utensils and equipment such as beds, pots and pans, etc. In addition a clothing and food allowance was made to each family, depending on its size, and varying from \$280 to \$580 per year. This allowance was in the form of a credit at the settlement store and was for a period of three years. Fertilizer and seed were supplied free for two years and then advanced as a loan to be repaid in the fall. A scheme of "bonuses" for farm implements and live stock was provided, \$75 for ploughs, \$129 for live stock, and \$75 for barn building, all payments being made in kind.

Later on this system was revised and instead of making grants of from \$280 to \$580 per family per year, it was decided that for the first three years a cash grant of \$40 would be paid to each settler for each two acres of cleared land held. This has the advantage of paying for results and provides an incentive to enterprise. It

also helps the settler to buy food during the summer months before his own crops mature. Free medical attention is given during this three-year period, including free hospitalization and medicines. Free education is also provided and, under the original land settlement scheme (since modified) school-children received one free meal a day for the first three years.

In addition to the work which a settler must perform to prepare his own holding, he is expected to put in a certain amount of time, under the supervision of a settlement manager, clearing land and doing other community work such as building roads and schools. The Government maintains tractors and heavy draft horses and equipment for use by the settlers in clearing land and doing other heavy work.

Growth of Co-operatives

Originally the Government set up, stocked and ran general stores in each of the communities established. Later it was felt that these stores offered excellent opportunities for co-operative enterprise, and the Government encouraged the settlers to take over the stores and run them themselves.

Some areas have been much more successful with this experiment than others, largely depending on the character and initiative of the people making up the settlement itself. Among the more successful co-operatives are those maintained at Lourdes, Point aux Maul, Midland, Brown's Arm, and Sandringham.

Comparison of the Settlements

Not all the settlements have made the same progress. In some cases the fertility of the land selected has had a direct bearing on results. In others the types of men selected have been better than others. In certain cases the settlement has prospered despite initially poor soil conditions, because of the availability of kelp and fish for fertilizing. In others again the success of the settlement has been largely due to the existence of subsidiary

avenues of employment, such as logging, fishing, or construction work.

Of the nine settlements at present in operation, five were started under the old land-settlement scheme, and four under the new. Following are brief descriptive notes on the various settlements, indicating the number of families they comprise, the average size of individual holdings, and the predominant religious convictions of the settlers in each. The four new settlements are solidly of one denomination, either Roman Catholic, Church of England, or United Church. While the relations between the settlers were harmonious in the mixed settlements, it was found that it was easier to meet the religious and educational requirements of the districts with one school and one church than with perhaps two or three of each.

1. *Markland*.—This is the oldest of the land-settlement ventures. Originally there were ninety-five families established: at present there are seventy-three. The soil is poor, and the holdings average $5\frac{1}{2}$ to 6 acres. Seasonal work is obtained on logging operations, and there are a couple of wood-working shops. Cows, horses, sheep, pigs and poultry are kept and some vegetables are grown. This particular settlement has not done particularly well; even the co-operative is working under difficulties. This is a mixed group denominationally.

2. *Haricot*.—Conditions are much the same at Haricot as at Markland. Originally comprising 25 families, 15 remain to-day. This is also a mixed group denominationally.

3. *Midland*.—This is probably the best of the settlements. It is situated in the Deer Lake section in the richest agricultural part of the country. Starting with 25 families, there are still that many in the settlement. Holdings average 10 to 12 acres and there are excellent opportunities for seasonal employment at the mill in Cornerbrook, in logging operations, and looking after the Paper Company's horses. All three of the principal religious groups are represented.

4. *Lourdes*.—At present there are twenty-seven families at Lourdes, which is the original strength. The soil is good, but the acreage cleared is small, and holdings average only 4 acres. The settlers at Lourdes are all fishermen-farmers, and the purpose of the settlement was chiefly to centralize a number of families so as to improve public service standards. The settlement is entirely Roman Catholic and boasts a progressive co-operative organization.

5. *Brown's Arm*.—There were originally twenty-five families at this settlement, but only fifteen are living there now. Holdings average 8 acres and, while the soil is only fair to poor, it could be improved without too great expense. Subsidiary employment is available with the Anglo-Newfoundland Company in their logging operations. The three principal religious groups are represented.

6. *Winterland*.—This settlement originally consisted of twenty-three families but, as there are virtually no opportunities for subsidiary employment, the number has fallen off until to-day there are only seventeen. The soil is good, and it is now planned to divide the six vacant lots among the seventeen families remaining. The average holding would then be 10 to 12 acres, from which it should be possible for a settler to make a living. Settlers at Winterland are all members of the United Church.

7. *Sandringham*.—This settlement began with twenty-five families, and this number has been maintained. The settlers are a good type and, since they are located close to one of the most progressive agricultural communities in Newfoundland, there is healthy competition and development. Subsidiary employment is available in the logging operations of the Auglo-Newfoundland Development Company and in the manufacture of barrel hoops. The religious denomination of this settlement is Church of England.

8. *Maryland*.—This is a small development, with an original strength

of nine families. Eight families remain to-day, with an average holding of four acres. Fishing is the subsidiary occupation. The religious denomination is Church of England.

9. *Point aux Maul*.—This is a very promising settlement and is up to its full strength of twenty-seven families. The soil is naturally rich and holdings average 10 acres. Some of the best cattle in Newfoundland are raised in this district, and do very well. There are excellent opportunities for subsidiary employment in the fisheries,

lobster and smelt being the principal varieties taken. Since the outbreak of war nearly all the men have obtained work on base construction.

The Newfoundland Government is working on a scheme of land settlement for veterans, the details of which have not been announced. In certain cases vacancies in existing settlements are not being filled but are being held for returning servicemen, so that it is likely that any new scheme will be fitted into the ones already in operation.

TRADE OF CHILE IN 1942

By M. J. VECHSLER, *Canadian Commercial Attaché at Santiago*

(Values are in Chilean pesos of 6d. gold)

Returns recently made available by the Chilean Statistical Department provide a basis for an analysis of the trade returns of the Republic of Chile for the calendar year 1942.

However, it should be borne in mind that these returns, although giving an accurate picture so far as Chile's overall trade is concerned, do not convey a true picture of Canada's trade with Chile. The reason is that, in compiling these statistics, the rule followed is that the country of origin is considered as being "the country where the goods were purchased", that is to say "the country to which the money was paid for them". In other words, Canadian goods shipped to Chile for which payment was made to a bank in the United States, for example, would be recorded as from the United States.

Total imports into Chile in 1942 were valued at 622,765,118 pesos as com-

pared with 525,250,868 pesos in 1941. Total exports also increased, from 781,504,406 pesos in 1941 to 869,456,666 pesos.

The returns of imports into and exports from Chile are now annually prepared under fourteen group headings. Tables I and II below show Chilean imports and exports in 1942, with comparative figures for 1941, under these headings.

Imports and exports by principal commodities and countries are shown in Tables III, IV and V. Table III is a list of the imports into Chile in 1942 with a value in excess of 1,000,000 pesos, with comparative figures for 1941. Table IV shows the principal commodities exported from Chile in 1942, with comparative figures for 1941. Table V shows imports into and exports from Chile in 1941 and 1942 by principal countries.

TABLE I

Chilean Imports by Commodity Groups

	1941 Pesos	1942 Pesos
Mineral productes	51,589,044	67,055,137
Sea and forest natural products.....	3,738,648	3,944,250
Products of the animal kingdom	15,383,509	20,237,639
Agricultural products	45,926,958	72,164,522
Foodstuffs industries	20,930,611	51,578,040
Beverages and liquors	1,430,982	2,452,154
Manufactured tobaccos	255,823	349,924
Textile industries	80,516,140	96,639,586

	1941 Pesos	1942 Pesos
Chemical industries	75,805,026	96,312,658
Metallurgical industries	58,122,221	54,830,963
Machinery, tools and instruments	70,398,063	61,260,804
Materials and articles for transport	48,793,716	35,428,762
Miscellaneous manufactures	52,002,190	59,300,693
Coins and precious metals	357,937	1,209,986
Totals	525,250,868	622,765,118

TABLE II

Chilean Exports by Commodity Groups

	1941 Pesos	1942 Pesos
Mineral products	642,224,300	723,795,695
Sea and forest natural products	3,152,279	4,823,871
Products of the animal kingdom	40,063,447	33,754,567
Agricultural products	52,813,531	59,322,273
Foodstuff industries.....	12,333,292	13,791,206
Beverages and liquors	2,320,381	2,952,131
Manufactured tobaccos	1,235	303
Textile industries	821,448	2,162,499
Chemical industries	9,834,020	9,953,526
Metallurgical industries	1,086,439	7,069,698
Machinery, tools and instruments	455,845	1,308,556
Materials and articles for transport	205,900	82,066
Miscellaneous manufactures	573,582	3,859,746
Coins and precious metals	13,618,707	6,580,329
Totals	781,504,406	869,456,666

TABLE III

Chilean Imports of Principal Commodities

	1941 Pesos	1942 Pesos
Tin in bars and ingots	2,160,295	1,866,206
Lead in ingots	948,409	2,654,082
Hard coal	3,910,588	1,301,923
Zinc in ingots	765,876	3,155,270
Metallurgical coke	1,206,791	1,438,342
Crude petroleum	36,408,145	46,308,587
Diesel petroleum	3,723,710	5,593,553
Rubber, in bulk, laminated or not, up to 1 mm. in thickness or 1 kilo net per square metre, etc...	1,605,726	1,712,337
Live cattle, over two years	1,543,786	1,996,452
Sheep	2,672,468	5,654,796
Wheat	1,418,920	9,809,759
Bananas	2,757,037	2,693,954
Cacao	1,036,380	1,741,513
Coffee	4,086,195	9,353,778
Tea	6,621,445	8,449,779
Yerba mate	3,910,543	5,979,045
Raw cotton	7,139,068	13,384,490
Other vegetable fibres not specified, undyed.....	3,140,734	2,959,624
Cottonseed	1,009,187	1,149,139
Sunflower seed	4,797,514	7,421,276
Turnip seed	935,121	2,233,882
Tobacco in the leaf	571,604	1,079,622
Butter	225,429	1,261,806
Wheat flour	676,495	1,175,580
Sugar	18,242,211	46,861,405
Whisky	1,019,013	2,108,073
Cotton thread on bobbins, etc.	10,440,013	11,820,007
Silk thread for sewing, single twist.....	7,504,763	7,565,629
Cotton thread, sewing, bordering, bleached, mercerized, dyed	4,328,759	8,293,580
Jute cloth	1,303,687	1,246,585
Oilcloth and cloth impregnated with celluloid ..	895,668	1,242,039
Cotton osnaburgs	4,343,118	2,604,150

TABLE III—*Chilean Imports of Principal Commodities—Con.*

	1941 Pesos	1942 Pesos
Cotton cloths, plain, not specified, etc.	2,465,958	4,255,669
Cotton cloths, stamped and dyed	3,985,630	3,467,408
Cotton fabrics, not carded, not stamped, etc., weighing over 200 grs. per sq. metre	175,622	1,059,489
Cloth, not specified, of wool or vegetable fibre with a weight of 250 grs. per sq. metre.....	4,936,624	4,743,277
Cloth, not specified, of wool or vegetable fibre weighing over 250 grs. per sq. metre.....	12,471,573	11,545,437
Cloth, not specified, of wool or vegetable fibre containing less than 5 per cent silk.....	681,280	1,647,990
Cloth with 80 per cent or more of silk.....	1,030,903	1,206,146
Bags of hemp or jute	4,536,113	7,235,807
Soda ash	934,253	1,676,551
Caustic soda	982,444	1,663,163
Chemical products, simple or compound, mineral or organic, not specified ..	1,550,251	1,851,406
Pastilles, tablets and other forms of medicaments, not specified	1,563,134	1,388,908
Fulminants and detonators	845,736	1,467,493
Industrial mineral oil	7,501,106	9,371,036
Gazoline	13,531,123	14,287,798
Pine resin	1,183,727	1,465,289
Paraffin, solid	2,962,841	3,368,164
Petroleum, rectified (paraffin)	866,643	1,471,274
Essential oils, essences, extracts, etc., for indus- trial use	1,991,856	2,137,287
Extract of quebracho	1,519,333	1,649,763
Woodpulp	7,991,265	9,953,960
Iron or steel in bars, up to 30 kgs. per metre....	2,316,096	2,888,856
Iron or steel in bars, over 30 kgs. per metre....	1,161,821	4,772,887
Iron and steel in sheets	4,734,259	2,960,307
Tinplate	5,008,851	6,781,676
Zinc in bars or sheets, not specified.....	237,959	1,674,679
Nail wire	1,006,195	1,242,735
Manufactures of iron, not specified with an indi- vidual weight up to 1 kg.	734,864	1,031,543
Sanitary ware, of raw iron or forged.....	1,162,475	1,569,852
Wire cable or rope	1,190,606	1,740,366
Piping and tubing, less than 75 mm. diameter..	6,445,441	3,150,969
Piping and tubing, forged	616,805	1,537,636
Bolts, nuts, screws, etc.	932,855	1,766,273
Machinery, not specified	1,457,289	1,059,157
Machinery spare parts and repairs	2,364,223	2,920,936
Agricultural machinery, not specified	4,833,654	1,786,943
Transport machines, not specified	288,364	1,181,702
Hoists, winches, etc.	658,957	1,233,721
Sewing machines	1,648,290	1,327,057
Textile machinery	3,182,045	1,838,535
Other industrial machinery not specified	7,578,901	6,942,261
Repair parts, not specified for machinery and apparatus	3,923,568	3,651,961
Electric motors	2,085,544	1,461,050
Industrial apparatus, not specified	1,881,238	2,680,048
Parts and repairs for boilers, motors and turbines	2,923,102	2,208,078
Wires, insulated with non-silk materials	899,469	2,663,320
Electrical cords and cables	1,932,420	1,779,138
Carbons and electrodes	806,722	1,069,271
Dynamos, alternators, convertors and other mach- inery, not specified	1,331,312	1,251,079
Transformers	1,813,328	1,873,206
Other electrical apparatus, not specified	453,307	1,007,501
Railway rails	405,505	1,114,801
Axles, wheels and tires, weighing over 50 net kgs.	2,210,255	1,140,386
Steel vessels, over 250 tons gross weight .....	.....	1,000,000
Aeroplanes	4,007,148	5,905,094
Hydroplanes .....	.....	1,121,710
Automobiles weighing from 1,501 kgs. to 2,000 kgs.	6,990,121	1,938,670
Automobiles weighing from 2,001 kgs. to 2,250 kgs.	4,632,131	2,281,425
Automobiles weighing from 2,501 kgs. to 3,000 kgs.	552,861	1,188,005
Automobiles weighing over 3,501 kgs.	66,234	3,070,441
Unbuilt chassis	8,806,302	5,341,408
Tractors	5,751,370	1,595,767

	1941 Pesos	1942 Pesos
Tires.....	5,622,359	1,656,868
Bicycles.....	1,441,953	1,661,382
Vehicle parts and repairs, not specified.....	1,672,526	1,144,442
Asbestos fibre.....	605,670	1,425,749
Cement.....	2,685,202	1,618,105
Sanitary ware (earthen or porcelain).....	1,418,686	2,508,137
Manufactures of glass, not specified.....	454,786	1,017,816
Cork caps.....	564,860	1,374,408
Manufactures of celluloid, bakelite, etc.....	730,530	1,420,342
Newsprint.....	3,352,334	2,197,301
Cigarette paper.....	733,641	1,884,672
Watches.....	1,588,901	1,982,317
Radio receiving apparatus.....	4,977,939	4,005,581
Photography film.....	2,982,446	2,870,498
Typewriters.....	1,953,646	1,006,579
Silver in bars or ingots.....	331,354	1,134,906

TABLE IV

Chilean Exports by Principal Commodities

	1941 Pesos	1942 Pesos
Molybdenum.....	1,223,721	3,794,347
Sodium.....	741,746	1,490,050
Mercury.....	1,102,675	1,961,566
Electrolytic copper in bars.....	271,949,105	323,438,261
Standard or blister copper.....	200,300,612	250,284,581
Raw minerals of iron and their alloys.....	13,914,117	3,585,873
Gold and copper concentrates.....	3,665,230	2,949,970
Gold, silver and copper minerals.....	3,555,366	1,352,392
Silver and copper concentrates.....	3,082,317	2,137,564
Sublimated sulphur.....	1,552,649	2,198,420
Nitrate in sacks and bulk.....	114,343,142	111,653,346
Iodine.....	8,965,835	8,197,172
Coal in bulk.....	2,864,802	3,477,651
Petroleum, diesel.....	257,559	1,951,281
Lumber, building, "Rauli".....	600,484	1,184,517
Sheepskins, untanned.....	5,056,875	6,144,479
Guts.....	601,404	1,034,638
Beeswax.....	1,000,254	1,030,428
Clover seed.....	698,212	1,345,564
Rice, cleaned.....	1,346,979	4,226,383
Beans "Arroz".....	5,403,055	6,222,578
Beans, "Cristales".....	2,978,909	2,464,441
Beans, "Red Kidney".....	1,277,521	2,042,895
Peas, "Petit Pois".....	3,243,949	1,777,933
Lentils.....	6,196,801	2,958,227
Peaches, dried.....	752,018	1,021,502
Nuts, unshelled.....	2,561,415	2,847,631
Garlic.....	3,462,033	2,557,049
Hemp fibre.....	11,529,980	23,146,614
Fresh meats.....	4,166,037	3,953,861
Chilled meats.....	.....	2,268,952
Barley malt.....	4,309,657	5,208,956
Sulphide of sodium.....	1,147,471	1,266,371
Gelignite.....	3,513,029	2,116,835
Gelatine explosives.....	.....	1,663,989
Copper in sheets.....	250,344	3,831,977
Wire, not specified, unwrapped.....	141,611	1,665,127
Gold in bars.....	13,406,163	6,580,329

TABLE V

Chilean Imports by Principal Countries

	1941 Pesos	1942 Pesos
United States.....	296,436,378	281,819,220
Argentina.....	38,810,296	74,964,976
Brazil.....	17,086,313	50,810,803
Great Britain.....	48,220,082	32,370,004
Sweden.....	2,232,050	10,963,533

TABLE V—*Chilean Imports by Principal Countries—Con.*

	1941 Pesos	1942 Pesos
India	6,894,744	7,214,205
Japan	24,634,797	6,296,179
Switzerland	3,544,496	5,651,191
Ecuador	3,638,534	4,500,994
Dutch Guinea	9,809,304	4,445,421
Java .....	.....	3,585,844
Canada	2,313,356	2,846,246
Mexico	544,275	2,180,727
Spain	2,785,687	2,088,604

Chilean Exports by Principal Countries

	1941 Pesos	1942 Pesos
United States	500,772,027	602,421,965
Argentina	33,839,970	52,090,386
Brazil	15,866,626	33,263,851
Great Britain	32,441,885	20,753,193
Sweden	141,919	1,928,380
Japan	37,989,418	.....
Switzerland	1,284,834	2,188,935
Ecuador	1,756,719	2,146,742
Dutch Guinea	24,736	51,293
Java	56,964	.....
Canada	120,533	174,986
Mexico	156,405	116,491
Spain	13,108	452,308

Details of Principal Imports

Following is an analysis of the principal commodities of interest to Canada, imported into Chile during the year 1942, with an indication of the principal source of supply. For comparative purposes, the corresponding total import values for the preceding year are shown within parentheses. Owing to the large number of items that might otherwise be involved, the analysis is confined to those commodities the import value of which amounted to 1,000,000 pesos or more during the calendar year 1942. Values are in pesos of 6d. gold.

Tin in Bars and Ingots.—Total, 1,866,206 pesos (2,160,295 pesos): United States, 1,092,427 pesos.

Lead in Ingots.—Total, 2,654,082 pesos (948,409 pesos): United States, 417,533 pesos.

Hard Coal.—Total, 1,301,923 pesos (3,910,588 pesos): United States, 1,301,923 pesos.

Zinc in Ingots.—Total, 3,155,270 pesos (765,876 pesos): United States, 2,706,748 pesos.

Metallurgical Coke.—Total, 1,348,342 pesos (1,206,791 pesos): United States, 1,436,449 pesos.

Crude Petroleum.—Total, 46,308,587 pesos (36,408,145 pesos): Peru, 37,622,024 pesos.

Diesel Petroleum.—Total, 5,593,553 pesos (3,723,710 pesos): Peru, 4,797,666 pesos.

Rubber, in Bulk, Laminated or not, up to 1 mm. in Thickness or 1 kilo net per Square Metre, etc.—Total, 1,712,337 pesos (1,605,726 pesos): Ecuador, 706,588 pesos.

Live Cattle over Two Years.—Total, 1,996,452 pesos (1,543,786 pesos): Argentina, 1,996,452 pesos.

Sheep.—Total, 5,654,796 pesos (2,672,468 pesos): Argentina, 5,628,683 pesos.

Wheat.—Total, 9,809,759 pesos (1,418,290 pesos): Argentina, 9,809,560 pesos.

Turnip Seed.—Total, 2,233,882 pesos (935,121 pesos): Argentina, 2,233,882 pesos.

Tobacco in the Leaf.—Total, 1,079,622 pesos (571,604 pesos): Cuba, 986,830 pesos.

Butter.—Total 1,261,806 pesos (1,261,806): Argentina, 1,261,806 pesos.

Wheat Flour.—Total, 1,175,580 pesos (676,495 pesos): Argentina, 1,175,533 pesos.

Sugar.—Total, 46,861,405 pesos (18,242,211 pesos): Peru, 46,803,768 pesos.

Whisky.—Total, 2,108,073 pesos (1,019,013 pesos): United States, 1,361,504 pesos.

Cotton Thread on Bobbins, etc.—Total, 11,820,007 pesos (10,440,013 pesos): United States, 7,288,544 pesos.

Silk Thread for Sewing, Single Twist.—Total, 7,565,629 pesos (7,504,763 pesos): Brazil, 4,623,559 pesos.

Cotton Thread, Sewing, Bordering, Bleached, Mercerized, Dyed.—Total, 8,293,580 pesos (4,328,759 pesos): United States, 4,496,041 pesos.

Jute Cloth.—Total, 1,246,585 pesos (1,303,687 pesos): Great Britain, 580,064 pesos.

Oilcloth and Cloth Impregnated with Celluloid.—Total, 1,242,039 pesos (895,668 pesos): United States, 1,207,043 pesos.

Cotton Osnaburgs.—Total, 2,604,150 pesos (4,343,118 pesos): United States, 2,363,239 pesos.

Cotton Cloths, Plain, not Specified, etc.—Total, 4,255,669 pesos (2,465,958 pesos): Brazil, 1,534,509 pesos.

Cotton Fabrics, not Carded, not Stamped, etc., weighing over 200 grams per Square Metre.—Total, 1,059,480 pesos (175,622 pesos): United States, 456,679 pesos.

Cloth, not Specified, of Wool or Vegetable Fibre, with a Weight of 250 grams per Square Metre.—Total, 4,743,277 pesos (4,936,624 pesos): Argentina, 2,006,246 pesos.

Cloth, not Specified, of Wool or Vegetable Fibre, weighing over 250 grams per Square Metre.—Total, 11,545,437 pesos (12,471,573 pesos): Great Britain, 4,926,008 pesos.

Cloth, not Specified, of Wool or Vegetable Fibre, containing less than 5 per cent Silk.—Total, 1,647,990 pesos (681,280 pesos): Brazil, 1,153,506 pesos.

Cloth with 80 per cent or more of Silk.—Total, 1,206,146 pesos (1,030,903 pesos): United States, 824,579 pesos.

Bags of Hemp or Jute.—Total, 7,235,807 pesos (4,536,113 pesos): India, 3,529,564 pesos.

Soda Ash.—Total, 1,676,551 pesos (934,253 pesos): Great Britain, 1,319,527 pesos.

Caustic Soda.—Total, 1,663,163 pesos (982,444 pesos): United States, 1,147,353 pesos.

Chemical Products, Simple or Compound, Mineral or Organic, not Specified.—Total, 1,851,406 pesos (1,550,251 pesos): United States, 1,657,535 pesos.

Pastilles, Tablets and Other Forms of Medicaments, not Specified.—Total, 1,388,908 pesos (1,563,134 pesos): United States, 1,013,063 pesos.

Fulminants and Detonators.—Total 1,467,493 pesos (845,736 pesos): United States, 1,467,493 pesos.

Industrial Mineral Oil.—Total, 9,371,036 pesos (7,501,106 pesos): United States, 9,098,252 pesos.

Gasoline.—Total, 14,287,798 pesos (13,531,123 pesos): Peru, 13,873,168 pesos.

Pine Resin.—Total, 1,465,289 pesos (1,183,727 pesos): United States, 1,295,798 pesos.

Paraffin, Solid.—Total, 3,368,164 pesos (2,962,841 pesos): United States, 1,655,813 pesos.

Petroleum, Rectified (Paraffin).—Total, 1,471,274 pesos (866,643 pesos): Peru, 1,471,274 pesos.

Essential Oils, Essences, Extracts, etc., for Industrial Use.—Total, 2,137,287 pesos (1,991,856 pesos): United States, 1,533,998 pesos.

Wood-pulp.—Total, 9,953,960 pesos (7,991,265 pesos): Sweden, 5,670,750 pesos.

Iron or Steel, in Bars, up to 30 kgs. per Metre.—Total, 2,888,856 pesos (2,316,096 pesos): United States, 2,844,496 pesos.

Iron or Steel, in Bars, over 30 kgs. per Metre.—Total, 4,772,887 pesos (1,161,821 pesos): United States, 4,677,019 pesos.

Iron and Steel in Sheets.—Total, 2,960,307 pesos (4,734,259 pesos): United States, 2,954,646 pesos.

Tinplate.—Total, 6,781,676 pesos (5,008,851 pesos): United States, 6,781,676 pesos.

Zinc in Bars or Sheets, not Specified.—Total, 1,674,679 pesos (237,959 pesos): United States, 1,057,346 pesos.

Nail Wire.—Total, 1,242,735 pesos (1,006,195 pesos): United States, 1,242,735 pesos.

Manufactures of Iron, not Specified, with an Individual Weight up to 1 kg.—Total, 1,031,543 pesos (734,864 pesos): United States, 840,954 pesos.

Sanitary Ware, of Raw Iron or Forged.—Total, 1,569,852 pesos (734,864 pesos): United States, 961,931 pesos.

Wire Cable or Rope.—Total, 1,740,366 pesos (1,190,606 pesos): United States, 1,696,295 pesos.

Piping and Tubing, less than 75 mm. Diameter.—Total, 3,150,969 pesos (6,445,441 pesos): United States, 2,554,470 pesos.

Bolts, Nuts, Screws, etc.—Total, 1,766,273 pesos (1,766,273 pesos): United States, 1,459,910 pesos.

Machinery not Specified.—Total, 1,059,157 pesos (1,457,239 pesos): United States, 966,604 pesos.

Machinery Spare Parts and Repairs.—Total, 2,920,936 pesos (2,364,223 pesos): United States, 2,918,424 pesos.

Agricultural Machinery, not Specified.—Total, 1,786,943 pesos (4,833,654 pesos): United States, 1,752,215 pesos.

Transport Machines, not Specified.—Total, 1,181,702 pesos (288,364 pesos): United States, 1,092,402 pesos.

Hoists, Winches, etc.—Total, 1,233,721 pesos (658,957 pesos): United States, 1,137,078 pesos.

Sewing-machines.—Total, 1,327,057 pesos (1,648,290 pesos): United States, 1,128,349 pesos.

Textile Machinery.—Total, 1,838,535 pesos (3,182,045 pesos): United States, 1,086,971 pesos.

Other Industrial Machinery, not Specified.—Total, 6,942,261 pesos (7,578,901 pesos): United States, 4,780,943 pesos.

Industrial Apparatus, not Specified.—Total, 2,680,048 pesos (1,881,239 pesos): United States, 2,178,909 pesos.

Repair Parts, not Specified, for Machinery and Apparatus.—Total, 3,651,961 pesos (3,923,568 pesos): United States, 2,717,358 pesos.

Electric Motors.—Total, 1,461,050 pesos (2,085,544 pesos): United States, 1,260,417 pesos.

Parts and Repairs for Boilers, Motors and Turbines.—Total, 2,208,078 pesos (2,923,102 pesos): United States, 2,010,290 pesos.

Wires, Insulated with Non-silk Materials.—Total, 2,663,320 pesos (899,469 pesos): Argentina, 1,624,835 pesos.

Electrical Cords and Cables.—Total, 1,779,138 pesos (1,932,420 pesos): United States, 1,582,795 pesos.

Carbons and Electrodes.—Total, 1,069,271 pesos (806,722 pesos): United States, 1,054,744 pesos.

Dynamos, Alternators, Convertors and Other Machinery, not Specified.—Total, 1,251,079 pesos (1,331,312 pesos): United States, 1,200,378 pesos.

Transformers.—Total, 1,873,206 pesos (1,813,328 pesos): United States, 1,807,609 pesos.

Other Electrical Apparatus, not Specified.—Total, 1,007,501 pesos (453,307 pesos): United States, 964,678 pesos.

Railway Rails.—Total, 1,114,801 pesos (405,505 pesos): United States, 1,108,442 pesos.

Axles, Wheels and Tires, weighing over 50 kgs. net.—Total, 1,140,386 pesos (2,210,255 pesos): United States, 1,140,386 pesos.

Aeroplanes.—Total, 5,905,094 pesos (4,007,148 pesos): United States 5,905,094 pesos.

Hydroplanes.—Total, 1,121,710 pesos (nil): United States, 1,121,710 pesos.

2,000 kgs.—Total, 1,938,670 pesos (6,990,121 pesos): United States, 1,696,234 pesos.

Automobiles Weighing from 2,001 kgs. to 2,250 kgs.—Total, 2,281,425 pesos (4,632,131 pesos): United States, 2,032,713 pesos.

Automobiles Weighing from 2,501 kgs. to 3,000 kgs.—Total, 1,188,005 pesos (552,861 pesos): United States, 1,188,005 pesos.

Automobiles Weighing over 3,501 kgs.—Total, 3,070,441 pesos (66,234 pesos): United States, 3,070,441 pesos.

Unbuilt Chassis.—Total, 5,341,408 pesos (8,806,302 pesos): United States, 5,336,864 pesos.

Tractors.—Total, 1,595,767 pesos (5,751,370 pesos): United States, 1,595,767 pesos.

Tires.—Total, 1,656,868 pesos (5,622,359 pesos): United States, 913,272 pesos.

Bicycles.—Total, 1,661,382 pesos (1,441,953 pesos): Argentina, 778,996 pesos.

Vehicles Parts and Repairs, not Specified.—Total, 1,144,442 pesos (1,672,526 pesos): United States, 1,109,533 pesos.

Asbestos Fibre.—Total, 1,425,749 pesos (605,670 pesos): United States, 1,276,117 pesos.

Cement.—Total, 1,618,105 pesos (2,685,202 pesos): Argentina, 1,018,391 pesos.

Sanitary Ware (Earthen or Porcelain).—Total, 2,508,137 pesos (1,418,686 pesos): United States, 1,397,103 pesos.

Manufactures of Glass, not Specified.—Total, 1,017,816 pesos (454,786 pesos): United States, 779,102 pesos.

Cork Caps.—Total, 1,374,408 pesos (564,860 pesos): Portugal, 605,101 pesos.

Manufactures of Celluloid, Bakelite, etc.—Total, 1,420,342 pesos (730,530 pesos): United States, 1,320,466 pesos.

Newsprint.—Total, 2,197,301 pesos (3,352,334 pesos): United States, 1,869,979 pesos.

Cigarette Paper.—Total, 1,884,672 pesos (733,641 pesos): United States, 1,479,902 pesos.

Watches.—Total, 1,982,317 pesos (1,588,901 pesos): Switzerland, 1,801,146 pesos.

Radio Receiving Apparatus.—Total, 4,005,581 pesos (4,977,939 pesos): United States, 3,338,007 pesos.

Photography Film.—Total 2,870,498 pesos (2,982,646 pesos): United States, 2,105,839 pesos.

Typewriters.—Total, 1,006,579 pesos (1,953,646 pesos): United States, 886,454 pesos.

Silver in Bars or Ingots.—Total, 1,134,905 pesos (331,354 pesos): Peru, 1,015,774 pesos.

CONTROL OF EXPORTS OF FOODSTUFFS TO TRINIDAD

The attention of Canadian exporters is directed to the fact that, at the request of the import control authorities in Trinidad, the Export Permit Branch will issue all export permits covering shipments of foodstuffs to that colony with expiry dates coinciding with those shown on the relevant import licences, and no extensions or alterations will be considered by the Export Permit Branch except with the

concurrence of the Trinidad control authorities.

Trinidad import licences for foodstuffs expire on the last day of the quarter following that in which the import licence is issued, but import licences covering foodstuffs shipped within the valid period of the export permit and import licence will be automatically extended, if necessary, to the date of arrival of the shipment in the colony.

MAIL SERVICE TO FRANCE

The Post Office Department recently announced that letters and packages prepaid at letter rate up to a weight limit of 4 pounds 6 ounces may now be accepted for delivery in the liberated areas of Continental France to which limited mail service is already in effect. Registration service is now available.

The increased weight limit is intended to provide for the transmission of written communications and related papers of a bulky nature. The restriction on business communications

to those ascertaining facts and exchanging information still applies.

No merchandise of any kind may be included in such packages.

Persons residing in Canada may now make personal remittances to France, Andorra and Monaco, provided such remittances are made with the approval of the Foreign Exchange Control Board, according to a notice issued by the Secretary of State of Canada under date December 8, 1944. This permission shall apply only to transactions entered into after the date of this notice.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 105, effective January 1, 1945, Group 1 of the Schedule of Commodities is amended by the deletion therefrom of the following item: Beverages, distilled, all kinds, including whisky, brandy, rum, gin, cordials and liqueurs.

Accordingly export permits will no longer be required for shipments thereof, except as provided by Clause 5 of the Export Permit Regulations of May 1, 1944.

United Kingdom

POSTPONEMENT OF OPERATION OF FOOD-LABELLING ORDER

With reference to the notice published in *Commercial Intelligence Journal* No. 2118 (September 2, 1944), regarding the Labelling of Food Order 1944 to be brought into force in the United Kingdom on January 1, 1945, the Ministry of Food announces that, following representations from manufacturers as to the difficulty of obtaining new supplies of labels and packaging material and disposing of existing stocks, the order will be amended to come into force as regards labels in respect of (1) sales otherwise than by retail by a manufacturer, from May 1, 1945; (2) sales otherwise than by retail by a wholesaler, from August 1,

1945; (3) sales by retail, from November 1, 1945. As regards advertisements other than labels in which the presence of vitamins or minerals is claimed or suggested, the Order becomes effective January 1, 1945.

Peru

EXCHANGE RESTRICTIONS

Mr. W. G. Stark, Commercial Secretary of the Canadian Embassy in Lima, cables that the Peruvian Minister of Finance advised the commercial banks on December 1, by verbal instruction, that all sales in excess of 500 United States dollars and all letters of credit covering importations must receive prior approval of the Banco de Reserva del Peru (Central Reserve Bank). On December 12 the commercial banks were notified verbally through the Superintendent of the Central Reserve Bank that the limit had been dropped to 50 United States dollars. So far exchange has been granted to cover matured collections and for drawing under letters of credit already established but applications for new letters of credit have been refused in some cases. The tendency appears to be to grant necessary commercial credit and restrict non-commercial transactions. It is recommended that Canadian shippers forward goods to Peru only if fully prepaid or against confirmed letters of credit.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

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Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 18, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 18, 1944, and for the week ending Monday, December 11, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 11	Nominal Quotations in Montreal Week ending Dec. 18	Official Bank Rate
Great Britain Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States Dollar	1.0000 Buying Selling	1.1060 1.1100	1.1000 1.1100	1 —
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245 Official Free	.3304 .2758	.3304 .2758	3½ —
Brazil Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana Dollar	1.0138	9313	.9313	—
Chile Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia Peso	.9733	.6351	.6351	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	— —
South Africa Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, Director

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: **F. W. FRASER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: **K. F. NOBLE**. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Legation. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

France

YVES LAMONTAGNE, Economic Adviser, Canadian Embassy, 62 rue du Faubourg Saint Honoré, Paris.

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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UNITED KINGDOM PROGRAM FOR FIXING AGRICULTURAL PRICES

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

The Ministry of Agriculture have announced new arrangements for fixing agricultural prices in the United Kingdom up to and including the harvest of 1947.

The three questions discussed by the Ministry and representatives of the industry were:—

1. Collection of economic and financial data acceptable to both the Government and the industry as a basis for price negotiations.

2. Procedure for using the data.

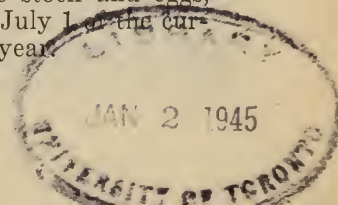
3. The means of relating the system of guaranteed markets and fixed prices to the Four-Year Production Plan.

Economic data for price discussions between the government departments and the trade interests are to be based on financial accounts relating to differ-

ent types of farming and sizes of farms, and on statistical material relating to costs of production collected by methods acceptable to both parties.

Each February the Agricultural Departments and the farmers representatives are to review the general financial position of agriculture in the United Kingdom. Price decisions will apply:

- as regards crops, to the price of crops from the harvest of the following calendar year; i.e. following the review in February, 1945, prices would be fixed for the 1946 crops.
- as regards milk, to prices from October 1 of the current calendar year.
- as regards live stock and eggs, to prices from July 1 of the current calendar year.



Assured Markets

Some change in the character of the United Kingdom's agricultural output may be necessary during the transition to peace. Broadly this will mean a gradual expansion of live stock and live-stock products, and a reduction from the high wartime level of certain crops for direct human consumption.

To encourage a substantial increase in milk production and a revival in the rearing of cattle and sheep for meat production, an assured market and guaranteed minimum prices are being provided for milk, fat cattle, sheep, lambs, and calves until the summer of 1948. Actual prices will be considered at each February review

and subsequently fixed by the Government.

The Ministry of Agriculture intend to encourage also an expansion in pig, poultry, and egg production to the fullest extent permitted by the supplies of feeding-stuffs which can be made available. A market will be assured throughout the four years for all fat pigs and eggs offered for sale. Prices will be considered each February and subsequently fixed by the Government.

Further there will be an assured market maintained for cereals, main crop of potatoes, and sugar beet up to and including the 1947 crops, prices of which will be fixed after each February review.

ECONOMIC CONDITIONS AND PROSPECTS IN SCOTLAND

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

During the past three months there has been steady production in Scottish shipbuilding and marine engineering at the very high level prevailing during the war years. It is reported that the steelmakers of the West of Scotland have received important new orders for the production of ship plates, which indicates that the shipbuilders have before them an important program of construction for the winter months. Whether this program is to meet the requirements of the Admiralty in warship tonnage or for cargo vessels, or both, is not divulged. But there is much less overtime now required of the workers on Admiralty contracts, which seems to indicate that pressure in this direction is easing off. The next phase of the shipbuilding situation is expected to be a substantial increase in the amount of merchant tonnage under construction as soon as warships are off the stocks.

Post-war Position of Shipbuilding

The position of shipbuilding and marine engineering after the war is now one of lively interest. It was the subject of the presidential address by Mr. A. Murray Stephen, of the well-

known firm of Messrs. Alexander Stephen & Sons, Glasgow, at the opening of the present session of the Institution of Engineers and Shipbuilders in Scotland.

Mr. Stephen said that no industry had had such a record of booms and slumps as British shipbuilding, and consequently no industry should be more ready to welcome any genuine effort to give a steady level of employment under peacetime conditions. Twice within thirty years the shipyards of the world, under the spur of war, had on each occasion launched in a space of five years what would normally have been twenty years' output of ships. Then in the period between the wars the record was one of ups and downs, with such slumps that it was remarkable that the industry had been able to take such a part in the present war as it had done.

With regard to the future, Mr. Stephen said the main object was the avoidance of mistakes made after the close of the last war, when the national demand for disarmament limited the naval programs to a small fraction of what they would have been on a prudent replacement basis, involving

steady employment and moderate costs instead of the inflated prices prevailing when the crisis arrived in the late 1930's. Normally, however, the main market for British shipbuilders must be the mercantile marine of the British Empire, and the contraction in the building of merchant ships over the last thirty years had had a serious effect on the shipbuilding industry. On the financial aspect of the replacement of the merchant ship fleet, Mr. Stephen suggested the establishment of a banking policy which would provide funds at cheap rates. He expressed doubt whether, after war losses have been replaced, there will be sufficient demand for new ships to keep the present labour force fully employed, even allowing for the release of those temporarily in the industry. There was all the more need, therefore, for unrivalled efficiency.

Competition from Air Transport

A new factor was the rivalry of the large passenger aeroplane, although he thought the possibilities were rather exaggerated. Scotland, he said, must back up strongly the claims of Prestwick as an international airport and see that it is the best equipped in the world and ready to take full advantage of its good geographical position as a centre of overseas air routes, including that to Scandinavia. Furthermore, an organized effort must be made to retain for Scotland a due share of aircraft manufacture.

Employment in Shipbuilding and Engineering

One of the chief topics of interest among workers in shipbuilding and engineering is whether employment will be available after the war for the many thousands of employees who were drafted into both industries to augment the ranks of those already employed there. At a conference of 300 foremen from various parts of Scotland, held in Glasgow recently, the general opinion was that comparatively few of the people who had taken up engineering during the war would remain in the industry. The others would gradually pass back to their former employment, but in the view of an official of the Ministry of Labour there would probably be no sudden end to the demand as there was in the last war.

New Firms Likely to Stay

Sir Steven Bilsland, Vice-Chairman of the Scottish Council on Industry, has just reported that over 60 per cent of the new firms who have established plants in Scotland during the war have decided to remain. He explained that every firm that had come north from England since the beginning of the war had been interviewed to learn their post-war attitude.

He emphasized the importance of developing light industries in Scotland. Heavy industries were, and would continue to be, the basis of Scottish industry, but they could not provide full employment, although they must be developed to the maximum.

Glasgow, November 18, 1944.

PROPOSED ALUMINIUM INDUSTRY IN AUSTRALIA

By **FREDERICK PALMER**, *former Canadian Trade Commissioner at Melbourne*

In the Commonwealth House of Representatives, on September 28, the Minister of Supply and Shipping introduced a Bill to ratify an agreement between the Commonwealth Government and the Government of Tasmania for the establishment in Tasmania of a £A3,000,000 aluminium ingot industry.

The Bill provides for the setting up of an Australian Aluminium Production Commission of four members, two of whom, including the chairman, will represent the Commonwealth, and two, including the vice-chairman, will represent Tasmania.

The Commonwealth Government and the Tasmanian Government will each

contribute £A1,500,000 towards the cost of initiating the undertaking.

The question of the establishment within the Commonwealth of an enterprise for the production of aluminium has been under consideration by the Federal Government for some time, and Tasmania has been chosen as the location for the first smelting works because of the existing hydro-electric power in that state.

Australia's postwar requirements of aluminium are estimated at a minimum consumption of 6,000 tons per annum, but it is expected that in the interval between the establishment of the enterprise and its commencement of operation this consumption is likely to expand greatly.

The agreement embodied in the Bill provides that any profit shall be ap-

plied, first, in payment to the Commonwealth and Tasmania of interest in equal proportions; secondly, in repayment of capital contributed by the two governments; and thereafter as agreed by the governments. The agreement also provides that the Commission may not act in any way with any commercial trust or combine, but shall always remain an independent Australian undertaking.

The main duties of the Commission, as set out in the Bill, are to promote the naval, military and air defence of the Commonwealth by the production of ingot aluminium, and an important provision is that no part of the Commission's undertakings may be sold or disposed of unless approved by resolution passed by both Houses of Parliament.

ECONOMIC CONDITIONS IN AUSTRALIA DURING 1943

By FREDERICK PALMER, *former Canadian Trade Commissioner at Melbourne**

I. Manpower and Finance

The most important economic problem that confronted Australia during 1943 arose out of the obvious difficulty of properly relating manpower supply to the requirements of defence and to the maintenance of output of food and essential munitions. Production of munitions and food was the principal concern, and throughout the year the watchword of the Commonwealth continued to be, as in 1942, "austerity".

During 1943 more than half the working population of Australia was engaged in war activities, either on the field of battle or in the production of goods and services to maintain the fighting forces. In addition food and raiment had to be provided for the other armed forces operating in the Pacific war zones, while much of the productive effort of the Commonwealth

was directed to increasing supplies for the United Kingdom. At least one of every two persons able to work was engaged on essential war work, while the remainder of the working population was steadily employed in producing for civilians and others engaged in the war effort on the home front.

In September, 1939, about 400,000 men and 149,000 women were employed in the production of civilian goods. By the middle of 1943 these numbers had declined to 117,000 men and 80,000 women, a reduction of about two-thirds. This reduction in manpower resulted in decreased output of civilian goods. No trouble had been experienced in arranging for the transfer of manpower and resources to war needs. However, serious difficulty was anticipated in arranging for the equitable distribution of the civilian goods available and the maintenance of a sound economic system under conditions of total war.

The rationing of clothing, tea, sugar and butter, introduced in 1942, was continued during 1943. The production of

*Since writing this report Mr. Palmer has returned to Canada preliminary to transfer to a new post. He has been succeeded by F. W. Fraser, who has been Canadian Trade Commissioner at Kingston, Jamaica, for a number of years.

civilian goods had to be further reduced to a considerable extent, and additional rationing was contemplated. It became more and more widely appreciated that Australia would be required to make an increasing contribution to the food supplies of the United Nations.

Banking

At the end of 1943, the note issue of the Commonwealth Bank of Australia aggregated £A161,200,000 as compared with £A120,700,000 at the end of 1942 and the weekly average for 1939 of £A49,000,000. Notes in circulation held by the public increased from the weekly average for 1939 of £A34,800,000, to £A105,200,000 in December, 1942, and £A145,400,000 in December, 1943.

The effect of continuing full employment is indicated by the increase in the value of notes held by the public and is also reflected in the heavy increase in savings bank deposits. These deposits reached a total of £A414,800,000 at the end of 1943, an increase of £A105,000,000 as compared with the amount recorded for the end of 1942 and a total of £A245,857,000 at the end of June, 1939.

The total of clearances through banks' clearing houses fairly reflects business activity. For the calendar year 1943 the average weekly value of bills, cheques, etc., excluding Treasury bills, cleared in all states of the Commonwealth, amounted to £A69.4 millions as compared with a 1942 weekly average of £A60.8 millions and a 1939 weekly average of £A43.3 millions.

A continued and greater use of Treasury bills to facilitate the financing of Australia's war effort is shown in the returns of the Commonwealth Bank at the end of 1943. The average weekly amount of Treasury bills outstanding during 1939 aggregated £A23.2 millions; for 1942 this average had increased to £A46.9 millions, while for December, 1943, it had increased still further to £A64.9 millions. The weekly average for 1943 was £A63.8 millions.

The greater difficulties being experienced by manufacturers, importers and distributors in obtaining stocks of materials and finished goods were reflected in the continuing decline in advances and discounts of the trading banks.

The increasingly strong position of Australia with respect to sterling, due largely to the wartime purchase of the Australian wool clip by the United Kingdom, is indicated by the continuing increase in the sterling reserve and money at short call in London. During 1939 the weekly average of such sterling funds was £A33.3 millions. This average had increased to £A62.8 millions for 1942 and to £A82.8 millions in 1943. The average for December, 1943, was £A95.8 millions.

During the year an innovation was introduced in the operation of the Commonwealth Bank. On September 27, 1943, the Mortgage Bank Department was opened for business. The Commonwealth Bank is empowered to make loans for periods up to twenty years at 4 per cent and for terms of 21 to 41 years at $4\frac{1}{8}$ per cent. In addition, annual amortization payments of not less than 1 per cent will be payable. Loans are made only to persons or firms engaged in agricultural, horticultural, pastoral or grazing pursuits, and the maximum loan is set at £A5,000.

Finance

In 1942, when the Commonwealth Treasurer presented his budget for the year ending June 30, 1943, he anticipated that expenditures for the war would reach £A440 millions. Actually war expenditure during the year aggregated £A562,787,000. Civil expenditures were slightly under the budget anticipations, totalling £A108 millions. The total of new moneys provided during the financial year amounted to £A185 millions, all of which was raised in Australia. On June 30, 1943, the total cost of the war to Australia had reached £A1,106,000,000.

When the Commonwealth Treasurer presented his budget for the financial

year ending June 30, 1944, he expected that the cost of the war for the year would approximate £A570 millions and that civil expenditure would reach £A145 millions, including £A130 millions to be paid into the National Welfare Fund. The war budget included a sum of £A100 millions for reciprocal aid to the United States.

The budget made no provision for new or increased rates of direct or indirect taxation. However, the new system of taxation, introduced in March, 1943, would operate for a full fiscal year and, as a result, revenue would be expected to reach £A312 millions as compared with £A267 millions in the fiscal year ending June 30, 1943. The budget estimate of revenue for the year 1942-43 was £A249 millions. This new scale of revenue would leave a deficit of £A403 millions to be financed by loans. The Treasurer hoped to raise £A300 millions by public loans as compared with £A215 millions in the previous year, leaving £A103 millions to be financed by Treasury Bills as compared with £A179 millions in 1942-43.

The £A100 millions included in the budget for Reciprocal Aid to the United States compares with the recorded cost of reciprocal aid, to June 30, 1943, of £A65 millions. It should be noted that the United States Lend-Lease Administration has tentatively estimated the value of lend-lease goods and services supplied to Australia to June 30, 1943, at \$552 millions (approximately £A171 millions at current rate of exchange).

At the end of 1943, the national debt of the Commonwealth stood at £A2,220,609,807, of which £A1,322,193,798 was owed by the Commonwealth, and the balance by the states. The following indicates the distribution of the total debt, payable in Australia: £A1,639,177,517; at London, £A540,031,694; in the United States, £A41,400,596.

Australia's total annual interest bill at the end of 1943 amounted to £A65,902,407. The Commonwealth Treasurer observed that the burden of the

Commonwealth and state government debts, despite the great wartime increase, was less in relation to the national income than it had been for most of the last twenty years. Whereas the total interest payable in Australia and abroad was 7 per cent of the national income in 1935, it was now about 5½ per cent.

During the fiscal year 1942-43 borrowings from the public consisted of a £A100 million cash and conversion loan, known as the Austerity Loan, which opened on November 3, 1942, and a £A100 million cash loan, the Third Liberty Loan, which opened on March 16, 1943. The Austerity Loan provided £A82.7 millions of new money from a record number of subscribers (456,000) and £A22 million of conversions. The Third Liberty Loan was the largest cash loan ever raised in Australia and closed with subscriptions from 422,000 subscribers amounting to £A101.8 millions.

During the first half of the fiscal year ending June 30, 1944, a Fourth Liberty Loan was offered to the people of the Commonwealth. This loan closed on November 9, about 560,000 subscribers contributing £A126 millions.

In November, 1943, the Government announced that it had been found possible to repay a loan of £stg. 12 millions advanced by the United Kingdom Government between July and December, 1940. This was the only overseas war loan raised by the Commonwealth since the outbreak of hostilities.

Employment

In November, 1941, just prior to the outbreak of war with Japan, there were 1,934,000 persons gainfully employed in industry in Australia. This total is exclusive of those engaged in domestic occupations or in agriculture. In February, 1943, there were 1,873,000 employed in industry. The number of males, excluding those in the fighting services, had declined during the fifteen months ending February, 1943, by 112,000, but this had been partly offset by

an increase of 51,000 in the number of females employed. During the closing months of 1942 there were heavy reductions in employment, principally in mining, building, and the retail trades.

Between November, 1941, and February, 1943, the number of persons working in government munition factories had increased from 70,900 to 127,400. In May, 1943, there were 132,000 persons employed in the government munition factories, but towards the end of the year the number had declined to 125,000, reflecting a policy of reducing production of certain types of munitions, the reserves of which had become adequate, and of transferring munition workers to other essential undertakings.

At the end of 1943 the Director-General of Manpower announced that the policy of utilizing female labour in industry was meeting with conspicuous success. At the outbreak of the war in 1939 there were only 644,000 females employed in industry; by the end of 1943 the total had increased to 845,000. Women now constitute 32 per cent of all wage and salary workers, excluding those in the defence services, rural industry and household duties, as compared with 28 per cent in November, 1941 and 24 per cent in July, 1939.

Using 100 as a basis for the totals of men and women employed in July, 1939, the index of total employment in Australia increased to 110.5 in 1941, declined slightly to 109.3 in July, 1942, and to 108.7 in September of that year. Subsequently the index rose irregularly until at the end of 1943 it was 110.7.

With respect to the index of employment for males, the effect of the need for men for the fighting services is readily apparent. On the basis July, 1939, employment equals 100, the index for men rose to 104.7 for early 1942 and declined to 99.7 during 1942-43. It rose to 100 by October, 1942, but declined irregularly to 98.4 in December, 1943.

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Using July, 1939, as a base, the index of female employment rose to 131.4 in early 1942 and to 138.9 in October, 1942. By January, 1943, it had reached 140.7, and at the end of 1943 was recorded as 147.1.

During 1943 there were more frequent reports of increased absenteeism and labour discontent. In May the Prime Minister announced that, if he were satisfied that lockouts, strikes or stoppages were without lawful excuse, employers or employees who were responsible would be liable for call-up for military service or for any civil occupation under the manpower regulations. Labour difficulties continued to hamper production, particularly in the New South Wales coal fields.

In the early months of the year it became apparent that a serious manpower problem confronted Australia. The Director-General of Manpower announced that a stage had been reached when there were definite limits to the number that could be made available each month and that, if the fighting services or high priority industries required additional help, such demands could only be met by transfer from less essential industries. It might be noted that each year the estimate of boys and girls leaving school is 120,000, of which 80 per cent are under 16 years of age. The manpower position was such in July, 1943, that the major source of supply for reinforcements for the fighting services was youths of 18 years of age.

Towards the middle of 1943, it was realized that transfers of large numbers of persons in industry would have to be made, as the character of the war had changed, thus removing the emphasis, as far as production was concerned, from actual munitions to other products, including principally ships and foodstuffs. There was at this time an urgent need for more men to work on the land, principally in dairy farming.

Serious thought was given the desirability of releasing men from the fight-

ing services, either permanently or on leave, for rural work. By a coincidence, a draft wages award for the dairying industry was announced in June, 1943. The award determined that wages would vary from £A4 16s. per week for "shed hands" to £A6 16s. per week for "leading hands". A 56-hour week was proposed for dairymen. The appeal of rural employees was regarded as requiring consideration, as the departure of workers for the fighting services and the more lucrative urban industries was beginning to have a serious cumulative effect on the productivity and potential value of farms.

As a first step to relieving the manpower difficulties of farmers, it was decided in September to make available a large pool of young soldiers, aged 18 and 19 years, who had completed their initial training. Such a pool, it was estimated, would comprise about 20,000 young men, not all of whom, however, would be available for agriculture. By the middle of September, Commonwealth food authorities were in a position to announce that about 15,000 men had been released from the army temporarily to meet seasonal rural demands, while Cabinet discussions were suggested with a view to increasing the total to nearer 50,000. The urgency of this matter was stressed when it was revealed that the number of men engaged in the rural industries of the Commonwealth had declined from 500,000 in 1939 to 131,000 in 1943.

By October it was felt that the changing pattern of the war, as far as Australia was concerned, and the need for increased production of foodstuffs and other essentials for Australia's allies, the people of Britain and the civilians of the Commonwealth required new allocations of manpower and other corrective measures. Plans were made to transfer 100,000 workers and to withdraw 20,000 men from the army. The Commonwealth War Commitments Committee announced that 100,000 labour units would be required by June, 1944, for the expansion of essential basic industries, for increased food production, and to maintain rural

and other industries seriously affected by manpower shortages. Including the aforementioned 20,000 to be withdrawn from the army, the 100,000 persons required to complete this comprehensive program would be made up by transferring 20,000 from the munition industry, 30,000 from "routine discharges" from the Services, and by diverting 30,000 additional women to war production. At the same time the Federal Cabinet reaffirmed a previous decision to release 15,000 experienced men from the Services for rural employment, while steps would be taken to increase the pool of seasonal farm workers to 10,000.

By the end of December 4,000 men had been released to rural industry from the Services, and the Army Minister announced that the scheme was operating satisfactorily.

With respect to the decision to transfer employees from the production of munitions, the Minister for Munitions announced at the end of 1943 that the munitions program of the Commonwealth had reached its peak in March, 1943. A gradual reduction of some lines of munition production began, and by the end of November, 1943, a total of 12,000 men and 6,000 women had been discharged from government factories and annexes. It had been decided that the munitions and aircraft manufacturing bloc would make 20,000 persons available to industries of higher priority in manpower. During the last three months of 1943, a total of 5,928 men and 3,718 women had been discharged, and an additional 4,000 men had been diverted from private munition and aircraft industries. At October 1 the total number of persons engaged in Australian government factories and annexes was 57,363.

By the end of 1943 it was realized that the mobilization of Australia's manpower resources was almost complete. At that time out of the entire male population only 300,000 of those over 14 years of age were not in uniform or in some war employment. There were 1,181,000 in the forces and on war production. Of these, a total of

858,860, almost two out of every three men of Australia between the ages of 18 and 40, were in the forces.

With respect to the mobilization of female labour, it was reported at the end of 1943 that 849,000 women were either in full-time war or civilian employment. This was 30.1 per cent of the country's female population over the age of 14 years, and 205,000 more than were employed in 1939.

Cost of Living

From the foregoing it is apparent that the purchasing power of the Australian public was considerably higher in 1944 than in the preceding year. This has exerted a strong upward pressure on prices. However, the war-time controls now operating in the Commonwealth have in the main been effective in restricting the demand for goods and services and have rendered possible, to a noteworthy extent, the stabilization of the cost of living.

The most important step taken by the Commonwealth Government in its effort to combat the rising tendency, evident in the cost-of-living index early in 1943, was the placing of a ceiling on prices, as announced by the Commonwealth Treasurer on April 12, 1943. The Treasurer explained that "with a few exceptions a ceiling price will be placed on all goods and services.... This policy of achieving price stability by imposing an over-all ceiling has been successfully developed in Canada.... Its prime objectives are to give the stability to the price structure.... and to give the Australian pound a firm value for the duration of the war."

The announcement of a price-ceiling control rounded out the measures required to end the spiral of increasing prices and wages. Control of wages was undertaken in February, 1942, and the terms of the regulations issued at that time provided for the increased wages only in cases of anomalies or to compensate for increased costs of living. By February, 1943, after one year of operation of wage control, cost of living adjustments to the Federal

basic wage had raised it by seven shillings a week in Sydney and nine shillings in Melbourne. These movements reflected the lack of real price control and contributed to the progressive increases in the cost of living.

Using the year 1937-38 equals 1000 as the basis of fluctuations in retail prices in Australia, increases in costs had raised the index slightly to 1036 by June, 1939. There was only a moderate increase in the first nine months of war, the index having only risen to 1077 by June, 1940. By June, 1941, it was 1129, and in the next twelve months, until just after wage control was introduced, the index increased to 1221. Wage control did not have the desirable controlling effect, and in the next twelve months, by June, 1943, or just after price ceilings became applicable, the index had moved up to 1292. The effect of price and wage control operating jointly, with the application of subsidies on the Canadian plan, resulted in a reduction in the index number, and by December, 1943, it had declined to 1268, or 22.4 per cent above the index of June, 1939.

The 1943-44 Commonwealth budget, included provision for subsidies of £A7,000,000 to make the price-control regulations effective. The reduction in the price of tea to pre-war levels would require £A2,000,000; to subsidize wage increases for six months, £A1,000,000; to reduce the price of potatoes to five pounds for 6d. in the capital cities would require £A2,000,000; and to reduce the sales tax on clothing, about £A2,000,000.

Basic Wage Changes

The following table shows variations during 1943 in the weekly basic wage payable under Commonwealth jurisdiction:—

	May 1 1943		Aug. 1 1943		Nov. 1 1943	
	£A	s.	£A	s.	£A	s.
Sydney	4	18	5	0	4	19
Melbourne	4	18	4	19	4	18
Brisbane	4	12	4	14	4	13
Adelaide	4	13	4	14	4	14
Perth	4	12	4	14	4	14
Hobart	4	14	4	15	4	15

The rate for female employees is generally 54 per cent of that for males.

SECONDARY FOOD INDUSTRIES IN QUEENSLAND

By K. F. NOBLE, *Acting Trade Commissioner at Sydney*

powerful incentive for the expansion of industrial enterprises in the State of Queensland, particularly in the

The war years have provided a secondary utilization of foodstuffs. According to the latest figures released by the Queensland Government Statistician, for 1942-43, during that year 18,000 wage and salary earners were employed in secondary food industries to produce commodities to a value of £47,500,000.

Among the chief activities are jam, fruit, and vegetables canning, meat canning and packing, secondary processing of dairy products, and production of beverages, confectionery, pickles and sauces, and sundry packaged grocery lines.

Canning

In 1942-43 the output of jam, fruit and vegetable factories had an estimated value of £796,000 the principal products being canned pineapple (19,600,000 pounds), jams (8,700,000 pounds), and canned fruit salad (3,600,000 pounds).

The expansion of vegetable canning was already under way in 1942-43, but the lack of equipment delayed development, and production was confined to canned beans and cabbage. However, there has been further substantial expansion in the past eighteen months.

The production of canned meats in Queensland has been exceptional, the 1941-42 production amounting to 91,200,000 pounds, or 67 per cent of the total Australian production. A number of factories distributed throughout the state are engaged in the production of canned meats, some of the principal centres being Brisbane, Rockhampton, Gladstone, and Townsville.

Dairy Products

The secondary processing of dairy products has been principally restricted to the manufacture of cheese and ice cream to a total value of £1,650,000. The principal centres are Brisbane in

the south and Rockhampton in central Queensland.

Beverages

The beverages produced in the state include ale, stout, rum and wine, aerated waters, cordials and brewed beers, with a total value in 1942-43 of approximately £2,500,000. The quantities produced of the more important of these commodities were: 12,213,000 gallons of ale and stout, 517,000 gallons of rum, and 6,312,000 gallons of aerated waters.

Breweries are situated in Brisbane, Toowoomba, Rockhampton, and Cairns; distilleries are at Bundaberg, Strathpine, and Beenleigh; power alcohol is distilled at Sarina; and aerated-water factories are widely distributed throughout the state.

Confectionery and Packaged Groceries

The confectionery industry benefits from the availability of domestic sugar, but factories are concentrated in the southern part of the state in the cities of Brisbane, Ipswich, and Toowoomba. The total quantity of confectionery produced was 5,172,000 pounds with a value of £239,000.

Pickles and sauces produced during the year totalled some 500,000 quarts, while sundry lines valued at £471,846 included 95,500 cwt. of self-raising flour, 1,000,000 pounds of jelly crystals, 295,000 pounds of custard powder, 118,000 pounds of coffee powder, 170,000 pounds of baking powder, 73,000 gallons of vinegar, and 511,000 pounds of icing sugar.

Dehydration

There are no permanent dehydration plants in Queensland, and only limited facilities for vegetable canning. Owing to climatic conditions, however, vegetables are not extensively grown in Queensland, and it is doubtful if any one area could supply a sufficiently large surplus of vegetables throughout the year to justify the maintenance of

permanent canning or dehydration plants. Publicity has, however, been given recently to the proposed establishment of a vegetable dehydration plant at or near Townsville, and to the possibility of creating mobile dehydration and canning units to take care of temporary surpluses which occur in the principal agricultural areas. A co-operative society has recently established an important dehydration factory at Winton, which, when it begins production shortly, will be the first of this type in the state.

Dehydration has, however, been applied to butter, the Queensland Butter Board operating a factory at Hamilton with a weekly capacity of 170 tons of finished "tropical spread". This product, which comprises a dehydrated butter with added anti-oxidants to prevent rancidity, is earmarked for the Services. This is primarily of wartime importance, since the estimated price of "tropical spread" for retail sale under peacetime methods of distribution would be from 3s. 6d. to 4s. per pound.

WHEAT CEILING PRICES INCREASED IN THE UNITED STATES

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

The Office of Price Administration announces that, effective December 13, ceiling prices on wheat at all levels of distribution were increased by four cents per bushel. This is said to be necessary to fulfil the requirements of the Stabilization Extension Act of 1944, and the new prices are intended to reflect parity to producers.

The original Maximum Price Regulation 487 was reported in *Commercial Intelligence Journal* No. 2088 (February 5, 1944). The prices shown therein for each class of wheat at the leading

The following terminal cities are also included, the revised prices in each case being as shown:—

	Hard Wheat Per Bu.	Soft Wheat Per Bu.
Tacoma	\$1.60 $\frac{1}{2}$	\$1.60 $\frac{1}{2}$
San Francisco.....	1.74 $\frac{1}{2}$	1.74 $\frac{1}{2}$
Los Angeles	1.75 $\frac{1}{2}$	1.75 $\frac{1}{2}$

Durum Wheat

Durum wheat is also included in the revised price schedule and, as these prices have not previously been reported in the *Commercial Intelligence Journal*, the revised ceilings are listed hereunder:—

No. 1 Hard Amber Durum No. 1 Amber Durum No. 1 Durum No. 1 Amber Mixed Durum No. 1 Mixed Durum Per Bu.	No. 1 Red Durum Per Bu.
Duluth	\$1.71 $\frac{3}{4}$
Minneapolis	1.71 $\frac{3}{4}$
Chicago	1.69 $\frac{3}{4}$
Boston	1.86 $\frac{3}{4}$
Philadelphia	1.84 $\frac{1}{4}$
Atlanta	1.91
Portland	1.60 $\frac{1}{4}$
Los Angeles	1.74 $\frac{1}{2}$
Galveston	1.69 $\frac{1}{2}$
Missouri River markets....	1.59 $\frac{1}{2}$

terminal cities, with the exception of Atlanta, Georgia, are now increased by four cents. Owing to a previous amendment, prices at that point are \$1.92 $\frac{1}{4}$ and \$1.97 in the respective columns.

Effect on Consumers

The Office of Price Administration reports that flour ceiling prices are unchanged and that the current action will not affect the price of bread to consumers.

TRADE OF CHILE IN 1942

By M. J. VECHSLER, *Canadian Commercial Attaché at Santiago*

II. Exports

EXPORTS

Following are details of Chilean exports in 1942 showing total values for individual items, with corresponding values for 1941 within parentheses, and principal destinations of exports:

Molybdenum.—Total, 3,794,347 pesos (1,223,721 pesos): United States, 3,794,347 pesos.

Sodium.—Total, 1,490,050 pesos (741,746 pesos): Brazil, 1,047,795 pesos.

Mercury.—Total, 1,961,566 pesos (1,102,675 pesos): United States, 1,295,464 pesos.

Electrolytic Copper in Bars.—Total, 323,438,261 pesos (271,949,105 pesos): United States, 292,195,049 pesos.

Standard or Blister Copper.—Total 250,284,581 pesos (200,300,612 pesos): United States, 250,177,616 pesos.

Raw Minerals of Iron and Their Alloys.—Total, 3,585,873 pesos (13,914,117 pesos): United States, 3,585,873 pesos.

Gold and Copper Concentrates.—Total, 2,949,970 pesos (3,665,230 pesos): United States, 2,949,970 pesos.

Gold, Silver and Copper Minerals.—Total, 1,352,392 pesos (3,555,366 pesos): United States, 1,352,392 pesos.

Silver and Copper Concentrates.—Total, 2,137,564 pesos (3,082,317 pesos): United States, 2,137,564 pesos.

Sublimated Sulphur.—Total, 2,198,420 pesos (1,552,649 pesos): Argentina, 1,324,214 pesos.

Nitrate in Sacks and Bulk.—Total, 111,653,346 pesos (114,343,142 pesos): (to order).

Iodine.—Total, 8,197,172 pesos (8,965,835 pesos): (to order).

Coal in Bulk.—Total, 3,477,651 pesos (2,864,802 pesos): Argentina, 2,302,861 pesos.

Petroleum, Diesel.—Total, 1,951,281 pesos (257,559 pesos): United States, 998,072 pesos.

Lumber, Building ("Rauli").—Total, 1,184,517 pesos (600,484 pesos): Argentina, 426,985 pesos.

Guts.—Total, 1,034,639 pesos (601,404 pesos): United States, 987,950 pesos.

Sheepskins, Untanned.—Total, 6,144,479 pesos (5,056,875 pesos): United States, 3,810,547 pesos.

Bees wax.—Total, 1,030,428 pesos (1,000,254 pesos): United States, 1,030,428 pesos.

Clover Seed.—Total, 1,345,564 pesos (698,212 pesos): Great Britain, 1,329,502 pesos.

Rice, Cleaned.—Total, 4,226,383 pesos (1,346,979 pesos): Bolivia, 1,856,844 pesos.

Beans ("Arroz").—Total, 6,222,573 pesos (5,403,055 pesos): Argentina, 4,815,691 pesos.

Beans ("Cristales").—Total, 2,464,441 pesos (2,978,909 pesos): Cuba, 1,541,954 pesos.

Beans ("Red Kidney").—Total, 2,042,895 pesos (1,277,521 pesos): Sweden, 1,138,920 pesos.

Peas ("Petit Pois").—Total, 1,777,933 pesos (3,243,949 pesos): Argentina, 1,331,855 pesos.

Lentils.—Total, 2,958,227 pesos (6,196,801 pesos): Switzerland, 811,201 pesos.

Peaches, Dried.—Total, 1,021,502 pesos (752,018 pesos): Argentina, 503,096 pesos.

Nuts, Unshelled.—Total, 2,847,631 pesos (2,561,415 pesos): Argentina, 2,316,242 pesos.

Garlic.—Total, 2,557,049 pesos (3,462,033 pesos): Cuba, 1,277,024 pesos.

Hemp Fibre.—Total, 23,146,614 pesos (11,529,980 pesos): Great Britain, 9,866,571 pesos.

Fresh Meats.—Total, 3,953,861 pesos (4,166,037 pesos): Great Britain, 3,820,246 pesos.

Chilled Meats.—Total, 2,268,952 pesos (nil): Great Britain, Chilean, 2,268,889 pesos.

Barley Malt.—Total, 5,208,956 pesos (4,309,657 pesos): Bolivia, 1,809,890 pesos.

Sulphide of Sodium.—Total, 1,266,371 pesos (1,147,471 pesos): Argentina, 598,303 pesos.

Gelignite.—Total, 2,116,835 pesos (3,513,029 pesos): Bolivia, 2,116,327 pesos.

Gelatine Explosives.—Total, 1,663,989 pesos (nil): Bolivia, 1,663,989 pesos.

Copper in Sheets.—Total, 3,831,977 pesos (250,344 pesos): Argentine, 1,909,298 pesos.

Wire, not Specified, Unwrapped.—Total 1,665,127 pesos (141,611 pesos): Argentina, 1,479,121 pesos.

Gold in Bars.—Total, 6,580,329 pesos (13,406,163 pesos): Argentina, 2,794,645 pesos.

ECONOMIC, TRADE AND PRODUCTION NOTES

India

INDIAN WHEAT CROP

The final forecast of the 1943-44 wheat crop shows the area sown to wheat at 33,740,000 acres as compared with the 1942-43 acreage of 34,417,500, a decline 2 per cent. Yield has been

estimated at 9,690,000 tons, a decrease of 12 per cent from the previous year's figure of 11,032,000 tons.

This decline in wheat production, combined with same increases in demand for food grains, is being compensated for to some extent by imports from Australia and Canada. It

has been reported, for example, that arrivals during the week ending October 14 amounted to 24,000 tons, while a recent announcement from New Delhi referred to an increase from 800,000 to 1,100,000 tons in the quantity of wheat to be imported during the current calendar year.

FERTILIZER PRODUCTION

In connection with a recent survey of the outlook for the production of chemical fertilizers in India, the Central Government was recently reported to be planning the establishment of one or more plants for the manufacture of 350,000 tons of sulphate of ammonia per year. The enterprise will be started by the Government and eventually handed over to private interests. Equipment is understood to have been ordered from the United States.

The foregoing figure represents a large increase over India's pre-war imports of such materials. In 1938-39 the imports of sulphate of ammonia amounted to 79,922 tons, while imports of all types of fertilizers were recorded as 107,563 tons. The bulk of the difference between the two figures was made up by nitrate of soda and superphosphates.

Newfoundland

INCREASED SHIPBUILDING BOUNTY

On November 18 the Government of Newfoundland announced a decision to increase bounties payable under the Shipbuilding (Bounties) Acts 1938-1943 on vessels constructed for and used mainly for catching fish in the fisheries of Newfoundland, reports R. P. Bower, Canadian Trade Commissioner at St. John's.

The following bounties are now payable:—

1. For ships of not less than 20 tons and not more than one hundred and fifty tons and fitted with motor power, \$90 for every ton up to and including 150 tons.

2. For ships of not less than 12 tons and not more than 30 tons and fitted with motor power, \$70 for every ton.

The new rates will be payable only in respect of ships not exceeding 150 tons and used mainly for the purpose of catching fish in the fisheries of Newfoundland for a period of five years from the date of issue by the Chief Inspector of the certificate that the ship has been built and surveyed in accordance with the provisions of the Act, and that, during that period, the ship was not diverted in any manner whatsoever for use in any other way. To qualify, the permit to build must have been issued prior to June 30, 1948.

Bounties will also be paid upon ships of the dragger type not exceeding 100 feet in length at the rate of \$90 per ton, provided such ships are built according to plans and specifications approved by the Commissioner for Natural Resources.

In the case of ships on which these rates of bounty are payable, if the engine is new and of Diesel or similar type, using light fuel oil economically and approved by the Chief Inspector, there will be payable with the final installment of bounty an additional bounty at the rate of \$15 per horsepower on the horse-power of such engine as certified by the Chief Inspector. In all cases, bounties on vessels are only paid if they conform to certain specifications laid down by the Department of Natural Resources.

The new bounty represents a considerable advantage over the old one. It is more than doubled in the case of vessels fitted with Diesel-type motors, while the horse-power bounty on motors themselves is increased from \$10 per horse-power to \$15. Under the original act, vessels of not less than 80 tons, built to Lloyd's specifications, if fitted with motor power, received a bounty of \$40 per ton up to 150 tons and \$20 per ton over that to 300. The same size vessel if fitted with sails received \$30 per ton to 150 tons and \$20 per ton over that to 300. Lower bounties were paid on vessels built to different specifications than Lloyds.

The increase in the bounty reflects the Government's desire to increase the number of motor-equipped vessels which will be available to meet the need for greater expedition in the competition which is expected in the post-war fishing industry.

Southern Rhodesia

MINERAL OUTPUT IN 1943

According to the Economic and Statistical Bulletin of Southern Rhodesia, issued by the Department of Statistics at Salisbury, as reported in *The Board of Trade Journal*, the output of minerals (excluding gold) in 1943 was valued at £8,864,041 as compared with £9,377,167 in 1942. Gold production in these two years was £5,516,146 and £6,384,255 respectively.

During the first half of 1944 the values of output were: gold, £2,495,830; other minerals, £4,188,781.

United Kingdom

INCREASED SUPPLIES OF CIVILIAN GOODS

A representative of the Board of Trade has announced certain relaxations in the restrictions on the supply of certain household goods for civilian

use as the result of the improved war production situation, writes J. A. Langley, Canadian Trade Commissioner at London, under date November 28.

The concessions allow perambulators to be made in future with the normal amount of steel and wheels of the usual pre-war sizes. Arrangements are being made to give the trade as much aluminium as it can use for the making of aluminium hollow-ware, always provided that its fabrication does not interfere with war contracts. Permission is being given to resume production of nickel-silver spoons and forks of any design but of special sizes and weights and at controlled prices. Table knives in two sizes are also being produced at a controlled price.

Licences are being given more freely for the production of kettles, irons, water-heaters and cookers. From December 1 wholesalers may freely sell whatever stocks they have of heating apparatus. It has been possible to authorize the use of iron and steel for the manufacture of wringers, mangles, washing-machines and carpet-sweepers. An allocation of materials has also been made to permit the production of lawn-mowers.

CANADA'S DOMESTIC EXPORTS IN NOVEMBER

Canada's merchandise exports during the month of November were valued at \$312,491,000 as compared with \$289,912,000 for the corresponding month of 1943, an increase of 7.8 per cent. During the first eleven months of the current year, commodity exports were valued at \$3,173,074,000 as against \$2,668,904,000 for the similar period of the preceding year, an advance of 18.9 per cent.

Merchandise exports to the United Kingdom in November were valued at \$102,214,000 as compared with \$105,970,000 in November, 1943, the total for the eleven months ended November standing at \$1,157,147,000 as against \$943,163,000 for the compar-

able period of 1943. November exports to the United States were valued at \$118,914,000 as compared with \$108,339,000 in November last year, the aggregate for the eleven months of this year amounting to \$1,174,954,000 as compared with \$1,019,002,000 for the 1943 period.

Commodity exports to other leading countries in November were as follows, totals for the corresponding month of last year being shown within parentheses: British India, \$24,220,000 (\$17,145,000); Italy, \$13,589,000 (\$1,055,000); Russia, \$13,501,000 (\$3,365,000); Egypt, \$7,273,000 (\$17,396,000); Newfoundland, \$4,483,000 (\$4,119,000); French Possessions, \$4,332,000

(\$6,610,000); France, \$2,898,000 (nil); British South Africa, \$2,409,000 (\$5,-309,000); Australia, \$2,211,000 (\$1,-059,000).

The following were among the principal items exported in November, totals for November, 1943, being shown within parentheses: wheat, \$29,837,000 (\$29,031,000); wheat flour, \$6,494,000 (\$4,749,000); meats, \$14,787,000 (\$11,-360,000); planks and boards, \$10,004,-000 (\$7,457,000); wood pulp, \$8,420,-000 (\$8,608,000); newsprint paper,

\$14,015,000 (\$13,961,000); motor vehicles and parts, \$42,972,000 (\$58,-589,000); chemicals, \$10,155,000 (\$8,-652,000); fishery products, \$7,547,000 (\$6,117,000).

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of November and the eleven months ending November, 1944 and 1943:—

Exports by Principal Countries

	Month of November		Eleven Months ended November	
	1944	1943	1944	1943
	Thousands of Dollars			
All countries	312,491	289,912	3,173,074	2,668,904
Empire countries	145,102	144,370	1,511,872	1,275,040
British East Africa	918	2,485	5,951	17,483
British South Africa	2,409	5,309	22,269	32,844
Southern Rhodesia	124	235	1,152	1,182
British West Africa	230	366	2,488	6,950
Bermuda	199	210	2,338	1,757
British India	24,220	17,145	157,778	122,296
Ceylon	463	319	4,529	6,776
British Guiana	719	542	5,391	5,335
Barbados	543	388	3,785	2,919
Jamaica	1,041	631	12,985	8,508
Trinidad and Tobago	1,510	1,347	15,742	12,295
British West Indies, other	525	511	5,323	3,988
Newfoundland	4,483	4,119	43,844	39,008
Australia	2,211	1,059	41,919	37,475
Fiji	41	5	459	287
New Zealand	700	2,015	11,847	26,348
Palestine	327	52	1,965	725
Eire	1,321	800	10,996	4,305
United Kingdom	102,214	105,970	1,157,147	943,163
Foreign countries	167,389	145,542	1,661,202	1,393,864
United States	118,914	108,339	1,174,954	1,019,002
Argentina	386	243	3,386	3,429
Bolivia	26	22	196	181
Brazil	1,049	229	6,801	4,294
Chile	112	34	1,492	955
China	8	.....	14,899	.....
Colombia	240	112	2,052	1,224
Costa Rica	8	12	303	145
Cuba	437	401	3,482	2,181
Ecuador	19	7	268	187
Egypt	7,273	17,396	105,207	172,617
France	2,898	.....	13,201	.....
French Possessions	4,332	6,610	30,918	66,974
Greece	164	535	7,927	5,559
Guatemala	30	38	340	213
Haiti	39	34	429	226
Honduras	22	14	100	118
Iceland	112	333	2,335	2,085
Iraq	238	1,045	5,681	20,891
Italy	13,589	1,055	149,016	1,089
Mexico	691	2,947	5,765	7,490
Netherlands West Indies	27	31	296	442
Nicaragua	24	1	246	196
Panama	40	31	610	687
Paraguay .....	.....	.....	30	15
Persia	138	22	1,005	433

Exports by Principal Countries—Con.

	Month of November 1944	1943	Eleven Months ended November 1944	1943
	Thousands of		Dollars	
Peru	141	45	1,259	698
Portugal	34	76	614	798
Portuguese Africa	54	30	369	80
Russia	13,501	3,365	95,630	49,696
Salvador	34	19	243	149
San Domingo	18	8	354	117
Spain .....	.....	3	88	118
Switzerland	1,454	812	15,130	10,035
Turkey	63	405	6,810	13,456
Hawaii	19	313	1,830	2,731
Puerto Rico	142	218	1,814	1,184
Uruguay	238	49	1,304	775
Venezuela	191	55	1,636	648

Exports by Principal Commodities

Total domestic exports	312,491	289,912	3,173,074	2,668,904
Agricultural products	66,807	54,497	672,720	408,157
Fruits	2,509	1,235	8,687	6,269
Vegetables	1,991	980	12,169	6,961
Grains	42,840	33,993	455,639	260,842
Barley	8,530	1,610	41,428	30,419
Wheat	29,837	29,031	349,761	187,432
Wheat flour	6,494	4,749	81,892	59,932
Alcoholic beverages	2,652	2,160	18,932	14,836
Seeds	3,341	7,080	24,078	22,096
Animal products	32,846	27,530	345,477	261,501
Cattle (except for stock)	467	488	5,152	5,296
Fishery products	7,547	6,117	59,566	51,564
Furs (chiefly raw)	1,094	1,195	23,248	20,870
Hides, raw	15	23	517	.....
Leather, unmanufactured	264	180	2,712	3,186
Leather, manufactured	344	651	3,352	2,546
Meats	14,787	11,360	180,153	118,226
Butter	132	1,336	1,741	3,648
Cheese	2,874	4,072	23,899	24,899
Eggs	2,342	426	20,144	14,645
Fibres and textiles	8,143	3,614	52,754	24,121
Cotton	1,331	626	8,440	6,564
Flax	37	300	2,142	2,400
Wool	2,733	1,725	21,095	5,207
Artificial silk	863	621	6,215	4,054
Wood and paper	42,111	37,636	405,164	353,847
Planks and boards	10,004	7,457	81,522	65,903
Timber, square	110	75	763	506
Shingles, red cedar	622	605	6,409	5,693
Pulpwood	1,693	1,905	18,742	17,356
Wood-pulp	8,420	8,608	93,694	91,682
Paper, newsprint	14,015	13,961	145,011	131,195
Iron and products	71,127	81,060	728,977	631,732
Pigs, ingots, etc.	1,489	1,359	15,681	21,680
Rolling-mill products	1,027	463	9,111	3,304
Tubes and pipes	249	67	2,308	385
Farm implements	1,425	766	12,823	9,754
Hardware and cutlery	416	221	3,367	2,952
Machinery, other than farm	3,270	572	23,004	8,764
Motor vehicles and parts	42,972	58,589	411,323	447,702
Non-ferrous metals (excluding gold)	37,140	27,652	312,503	307,716
Non-metallic minerals	4,943	5,567	54,789	56,739
Coal	391	395	5,483	4,897
Petroleum	933	1,106	8,777	6,634
Stone	1,250	1,803	15,622	17,363
Chemicals	10,155	8,652	92,572	79,198
Acids	198	106	2,060	2,451
Fertilizers	1,726	2,104	22,064	16,355
Soda compounds	614	720	3,807	4,385
*Miscellaneous	39,219	43,704	508,117	545,893
Electric energy	553	700	7,238	7,180
Films	69	26	1,404	683

* Includes certain military stores.

CONTROL OF EXPORTS FROM CANADA

EXEMPTIONS FROM EXPORT PERMIT REQUIREMENTS

By Export Permit Branch Order No. 106, effective January 1, 1945, the exemptions set forth below are established in the Export Permit Regulations:—

1. The commodities specified hereunder are deleted from the list of commodities, so that export permits are not required therefor, except as provided by Clause 5 of the Export Permit Regulations of May 1, 1944:—

Group 4: Wood, Wood Products and Paper—
Wood charcoal.

Group 5: Iron and Steel (including Alloy Steel) and Their Products—

Ferro-alloys.

Group 8: Chemical and Allied Products—

Acetate of lime, or calcium acetate.

Acid, pyroligneous.

Agar-agar.

Charcoal, animal, n.o.p.

Charcoal, vegetable and medicinal.

Chenopodium.

Coal tar chemicals used in connection with explosives, n.o.p.

Drugs, herbs and leaves, roots—

Aconite leaves and roots.

Arnica, flowers, leaves or root, whole, granulated or powdered.

Belladonna, crude, extracts and products thereof.

Colchicum.

Cube (timbo or barcasco) root, powder and extract.

Digitalis seeds and digitalis compounds.

Hyoscyamus, crude, and extracts thereof.

Nux vomica, crude.

Psyllium seed.

Senna.

Stramonium, crude, extracts and products thereof.

Balsams.

Explosives not included in Category VII of Group 10.

Ferric ammonium oxalate (Iron salt).

Ferric chloride.

Glycerophosphoric acid and glycerophosphates.

Hexamethylene tetramine.

Indigo, indigo paste and extracts thereof.

Iron liquor, being solution of acetate or nitrate of iron.

Lecithin.

Liquor, red, being a crude acetate of aluminum prepared from pyroligneous acid.

Muriatic acid (Hydrochloric acid).

Sodium aluminium fluoride and products containing sodium aluminium fluoride.

Group 9: Miscellaneous—

Fountain and stylographic pens, and parts therefor.

2. The commodities specified hereunder are exempted from requiring an export permit for shipments valued at \$25 or less when consigned to the British Empire or to the United States:—

Group 5: Iron and Steel (including Alloy Steel) and their Products—

Valves and parts.

Group 8: Chemical and Allied Products—

Acetone.

Acids and acid anhydrides, n.o.p.

Alcohols and glycols, n.o.p.

Ammonium sulphate.

Amyl alcohol or fusel oil.

Aniline.

Aniline and coal tar dyes and intermediates, and other chemical preparations for dyeing or tanning, n.o.p.

Aniline oil, aniline salts, alizarin and artificial alizarin.

Argols and cream of tartar.

Arsenic salts and compounds, n.o.p., including arsenical medicinals.

Arsenic acid and arsenious acid; products containing arsenic acid and arsenious acid.

Arsenous oxide.

Ascorbic acid.

Atropine.

Baking powder.

Barium chemicals.

Benzyl chloride.

Beta naphthol.

Bisulphate of soda or nitre cake (Sodium acid sulphate).

Blood albumen.

Blueing, laundry.

Borates.

Borax, fused, and borax glass.

Boric acid.

Bromides, crude.

Bromine.

Butadiene.

Butyl alcohol.

Butyl acetate.

Butylene.

Butyric alcohol (primary, secondary, tertiary).

Caesium (cesium) salts and compounds.

Caffein, caffeine salts and compounds.

Calcium arsenate and products containing calcium arsenate.

Calcium cyanamide and products containing calcium cyanamide.

Calcium hypochlorite and products containing calcium hypochlorite.

Calcium salts and compounds, n.o.p.

Calomel and products containing calomel.

Carbon bisulphide and products containing carbon bisulphide.

Carbon tetrachloride and products containing carbon tetrachloride.

- Cementing preparations for repairing, n.o.p.
 Cements for sealing cans.
 Chlorinated hydrocarbons, n.o.p.
 Chlorinated phenols, n.o.p.
 Chlorine.
 Chlorobenzenes, n.o.p.
 Chlorotoluenes, n.o.p.
 Chlorpicrin, ethylene oxide, methyl bromide, methyl formate, cyanides, or mixtures containing any of these.
 Chromium tanning mixtures.
 Citric acid.
 Collodion.
 Copper carbonate and products containing copper carbonate.
 Copper sulphate, all grades, including blue vitriol or bluestone.
 Corrosive sublimate and products containing corrosive sublimate.
 Cresylic acid and cresols.
 Cyanogen bromide.
 Dibutyl phthalate.
 Dichlorethyl ether.
 Dichlor-diphenyl-trichlorethane.
 Diethyl phthalate.
 Diethylene glycol.
 Dimethylaniline.
 Dimethyl sulphate.
 Diphenylamine.
 Dipropylphthalate.
 Drugs, herbs and leaves, roots—
 Camphor, natural and synthetic.
 Cascara bark.
 Derris root, powder and extract.
 Menthol, natural and synthetic.
 Pyrethrum or insect flowers, powder and extract.
 Quinine barks, cinchona or other barks from which quinine may be extracted.
 Red squill.
 Drugs, such as barks, flowers, roots, beans, berries, bulbs, fruits, insects, grains, herbs, leaves, nuts, fruit and stem seeds, n.o.p.
 Egg substitutes.
 Ergot.
 Ethyl acetate.
 Ethyl alcohol.
 Ethyl chloride.
 Ethyl ether.
 Ethyl lactate.
 Ethylene.
 Ethylene alcohol (ethylene glycol, diethylene glycol).
 Ethylene dibromide.
 Ethylene dichloride and products containing ethylene dichloride.
 Ethylene glycol monoethyl ether.
 Formic acid.
 Formaldehyde and products containing formaldehyde.
 Gases, n.o.p. (liquefied, solidified, compressed).
 Guanidine.
 Guanidine nitrate.
 Hexachlorbenzene.
- Hexachlorethane.
 Homatropine.
 Hydrofluosilicic acid.
 Iodine, iodine salts and compounds.
 Iron blues (Prussian blues, etc.).
 Isopropyl acetate.
 Isopropyl alcohol (Isopropanol).
 Lacquer solvents, n.o.p.
 Lead arsenate and products containing lead arsenate.
 Liquid gum inhibitors for treating petroleum distillates.
 Liquorice extract and mass.
 Metaldehyde.
 Methyl alcohol (Methanol) and derivatives.
 Methylamine.
 Methyl chloride.
 Methylene chloride.
 Methyl ethyl ketone.
 Methyl methacrylate fabricated products.
 Monohydrate copper sulphate and products containing monohydrate copper sulphate.
 Naphthalene and products containing naphthalene.
 Nicotine, salts of nicotine, n.o.p., and preparations containing nicotine in a free or combined state, n.o.p.
 Nicotinic acid.
 Nicotine sulphate and products containing nicotine sulphate.
 Nitrates.
 Nitrocellulose, having nitrogen content of less than 12 per cent.
 Nitroderivatives of benzene, toluene, xylene, naphthalene and phenols.
 Nitroguanidine.
 Nitrous ether, sweet spirits of nitre.
 Non-edible seeds, beans, nuts, berries, plants, weeds, barks and woods, and extracts and preparations thereof for dyeing or tanning.
 Oil of citronella.
 Organic mercurials and products containing organic mercurials.
 Organotherapeutical preparations, enzymes, ferments, etc., prepared from animal glands.
 Oxalic acid.
 Paradichlorobenzene and products containing paradichlorobenzene.
 Paraformaldehyde.
 Paris green, dry (copper acetoarsenite).
 Pentachlorethane.
 Perchlorethylene.
 Peroxides of hydrogen.
 Phenol.
 Phenothiazine.
 Phosphoric acids.
 Phosphorus, ferro-phosphorus and compounds.
 Phthalic anhydride.
 Plasmochin.

Polymers and copolymers of butadiene, acrylonitrile, butylene, chloroprene, styrene, vinylidene chloride and synthetic rubber-like compounds, fabricated or unfabricated.

Potassium salts and compounds.

Preparations or chemicals for disinfecting dipping, spraying or fumigating, n.o.p.

Propylene dichloride.

Propylene glycol (Methylethylene glycol).

Pyroxylin plastics, cellulose acetate, cellulose ester plastics, including moulding compositions thereof, other synthetic plastic materials, n.o.p., and articles partially or fully fabricated therefrom.

Quinine, quinine salts and compounds, including proprietary and non-proprietary preparations containing quinine.

Refrigerants, gaseous (other than ammonia), n.o.p.

Resins, synthetic, of all kinds, including synthetic resin moulding compositions made therefrom, and articles partially or fully fabricated therefrom.

Riboflavin.

Rochelle salts (Potassium sodium tartrate).

Roots, medicinal, viz.: alkanet, crude, crushed or ground; calumba, folia, digitalis, gentian, jalap, ipecacuanha, iris, orris-root, liquorice, sarsaparilla, squills, tarazacum, rhubarb and valerian.

Rotenone and products containing rotenone.

Salt (Sodium chloride).

Santonin.

Scopolamine.

Sodium arsenite and products containing sodium arsenite.

Soda lime.

Sodium acetate.

Sodium bromide.

Sodium chlorate and products containing sodium chlorate.

Sodium hydroxide (Caustic soda or lye).

Sodium hypochlorite and products containing sodium hypochlorite.

Sodium silicofluoride and products containing sodium silicofluoride.

Sodium salts and compounds, n.o.p.

Specialty cleaning and washing compounds.

Stains and dressings, n.o.p., for wood, leather, etc.

Stains, coal-tar colours.

Strychnine, strychnine salts, and products containing strychnine.

Styrene.

Sulfacetamide.

Sulfadiazine.

Sulfaguanidine.

Sulfanilamide.

Sulfapyridine.

Sulfathiazole.

Sulphate of iron (copperas).

Sulphide of arsenic.

Sulphur.

Sulphuric acid, all kinds.

Sulphur chlorides.

Sulphuric ether, chloroform, n.o.p.; preparations of vinyl ether.

Sulphuryl chlorides.

Tannic acid.

Tar acids and products containing tar acids.

Tartaric acid.

Tetrachlorethane.

Tetrachlorethylene.

Theobromine and salts thereof.

Theophylline and salts thereof.

Thiocyanates for insecticide purposes.

Thiodiglycol.

Toluol and light oil resulting from the distillation of coal tar.

Trichlorethylene.

Tricresyl phosphate.

Triethanolamine.

Triphenyl phosphate.

Urea.

Vanillin.

Vinylidene chloride.

Vitamins and viosterols (include food hormones, concentrates A, B, C, D, E, G, P and X, synthetics such as ascorbic acid, thiamin chloride, medicinal fish oil, yeast concentrate, wheat germ, etc.).

Water softeners, purifiers, boiler and feed-water treatment compounds.

Xanthates.

Xylol (Xylene).

All chemicals not enumerated elsewhere.

TRADE REGULATIONS AND TARIFF CHANGES

Ecuador

INCREASED DUTY ON SCREENING

Mr. W. G. Stark, Commercial Secretary, Canadian Embassy at Lima, writes that, under an Ecuadorean Customs Circular of October 31, 1944, import duty on iron mosquito netting, whether or not painted or galvanized,

and netting of synthetic materials for the same purpose having from 8 to 15 wires in a square of $6\frac{1}{2}$ millimetres, has been increased from 2 to 3.50 sucres per kilogram, and on copper wire mosquito netting having 8 or more wires in a square of $6\frac{1}{2}$ millimetres, from 4 to 6 sucres per kilogram. The sucre equals about 7.9 cents Canadian.

Chile

DUTY SURCHARGE INCREASED

Mr. M. J. Vechsler, Commercial Attaché, Canadian Legation, in Santiago, cables under date December 21 that the Chilean Minister of Finance has announced that, as from January 1, 1945, the surcharge on Chilean customs duties will be increased from 300 per cent of the duty to 540 per cent of the duty. The surcharge is used as a means of converting gold pesos, in which duties are expressed, to paper pesos, in which duties are paid. The surcharge of 300 per cent of the duty meant that importers paid 4 paper pesos for every gold peso of duty. Under the increased surcharge of 540 per cent, they will pay 6.4 paper pesos for every gold peso. The practical effect of this action is an increase of 60 per cent in the import duties.

United States

FREE ENTRY OF EMERGENCY PURCHASES OF WAR MATERIAL

An executive order, signed by the President of the United States on October 30, extended to the United States Maritime Commission and the Administrator of the War Shipping Administration as from August 1, 1944, powers to enter free of duty emergency purchase of war material, which had previously been granted to the Secretary of the Navy, the Secretary of War, the Secretary of the Treasury, the Secretary of Agriculture, and the Reconstruction Finance Corporation, under Executive Order No. 9177 of May 30, 1942. The customs regulations concerning free entry of war material under the foregoing order were published in *Commercial Intelligence Journal* No. 2003 (June 20, 1942).

Venezuela

TARIFF REDUCTIONS

During the past year two Venezuelan decrees reduced duties on imports into Venezuela of a wide range of products. The first of these decrees, dated Febru-

ary 18, 1944, affected metals and metal manufactures of various kinds, vehicle chassis and freight automobiles, bicycles, and many kinds of tools, machines and apparatus. The second decree, dated May 26, 1944, reduced the duties on certain refractory products, emery and other abrasives, insulating materials, vehicle accessories, and calculating and duplicating machines. In some cases the new duties are only a small fraction of the former rates.

IMPORT REGULATIONS AMENDED

Mr. M. T. Stewart, Canadian Trade Commissioner at Bogota, writes that Venezuelan import regulations were considerably altered on July 1, 1944. The new regulations provide for the elimination of import recommendations on all but a small list of short-supply products and for exemption from import licences for a further list of products. All imports of a value of less than 100 bolivares (about \$33) were also exempted from licence.

Further changes were made in the regulations by a resolution of the Venezuelan Ministry of the Treasury of November 18, 1944. This resolution replaces the former list of goods exempt from import licences by a list of goods which still require licences, some of them being marked as requiring also import recommendations when for procurement in Canada or the United States. Goods for which import licences and import recommendations are required include: cotton threads, textiles and manufactures thereof; silk and rayon manufactures; oilcloth; waterproof textiles; lumber and certain wood manufactures; iron and steel and certain manufactures thereof; rubber tires and tubes. Goods which require import licences only include: fishery products; lard; bacon; preserved milk; butter; cheese; potatoes, except seed; sausages; unspecified preserves; dietetic foods; confectionery; biscuits; alcoholic beverages; vinegar; linen manufactures; wool textiles and clothing; leather trunks and handbags; brushes and brooms; cigarettes; furniture of

wood; certain paper and cardboard; glass flasks and bottles; asbestos; magnesite; tinplate manufactures; crown corks; pharmaceutical specialties; toilet preparations; soap; paints and

varnishes; certain chemicals; footwear; hats; combs. A complete list of the articles affected is on file in the Department of Trade and Commerce, Ottawa.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 2, 1944:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to December 2, 1944	
				Quantity	Per Cent
Whole milk.	Gal.	3,000,000 per calendar year	6½ to 3¼c. per gal.	11,258	....
Cream.	Gal.	1,500,000 per calendar year	56½ to 28¾c. per gal.	1,081	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.	Lb.	18,210,658 per calendar year	2½ to 1¼c. per lb.	Quota filled	
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.	830,005	55.3
White or Irish potatoes, other than seed potatoes.	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	Quota filled	
Red cedar shingles.	Sq.	2,153,984		1,348,028	62.5
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1943	50 to 35% ad val.	40,270†	40.2
Tails	Piece	5,000 beginning Dec. 1, 1943	50 to 35% ad val.	198	3.9

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports from Canada of 40,270 foxes valued at \$250 each and whole furs and skins are for the period December 1, 1943, to April 30, 1944. For the period May 1 to November 30, 1944, the United States set the quota allotment at 59,174 for all countries, and for the period May 1 to November 30, 1944, imports totalled 36,159. However, there is no indication in the statement by Treasury Department as to what proportion of these imports was supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas		Imports May 29 to Dec. 2, 1944	
	Wheat Bu.	Wheat Flour and Other Products Lb.	Wheat Bu.	Wheat Flour and Other Products Lb.
Canada	795,000	3,815,000	795,000	1,728,333
Other countries	5,000	185,000	Nil	Nil

SUBSCRIPTION RATES

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FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 26, 1944

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, December 26, 1944, and for the week ending Monday, December 18, 1944, with the official rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 18	Nominal Quotations in Montreal Week ending Dec. 26	Official Bank Rate
Great Britain Pound	4.866			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2284	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2758	.2758	—
Brazil Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0575	.0575	—
British Guiana Dollar	1.0138	9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia Peso	.9733	.6351	.6351	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.6016	.6016	—
South Africa Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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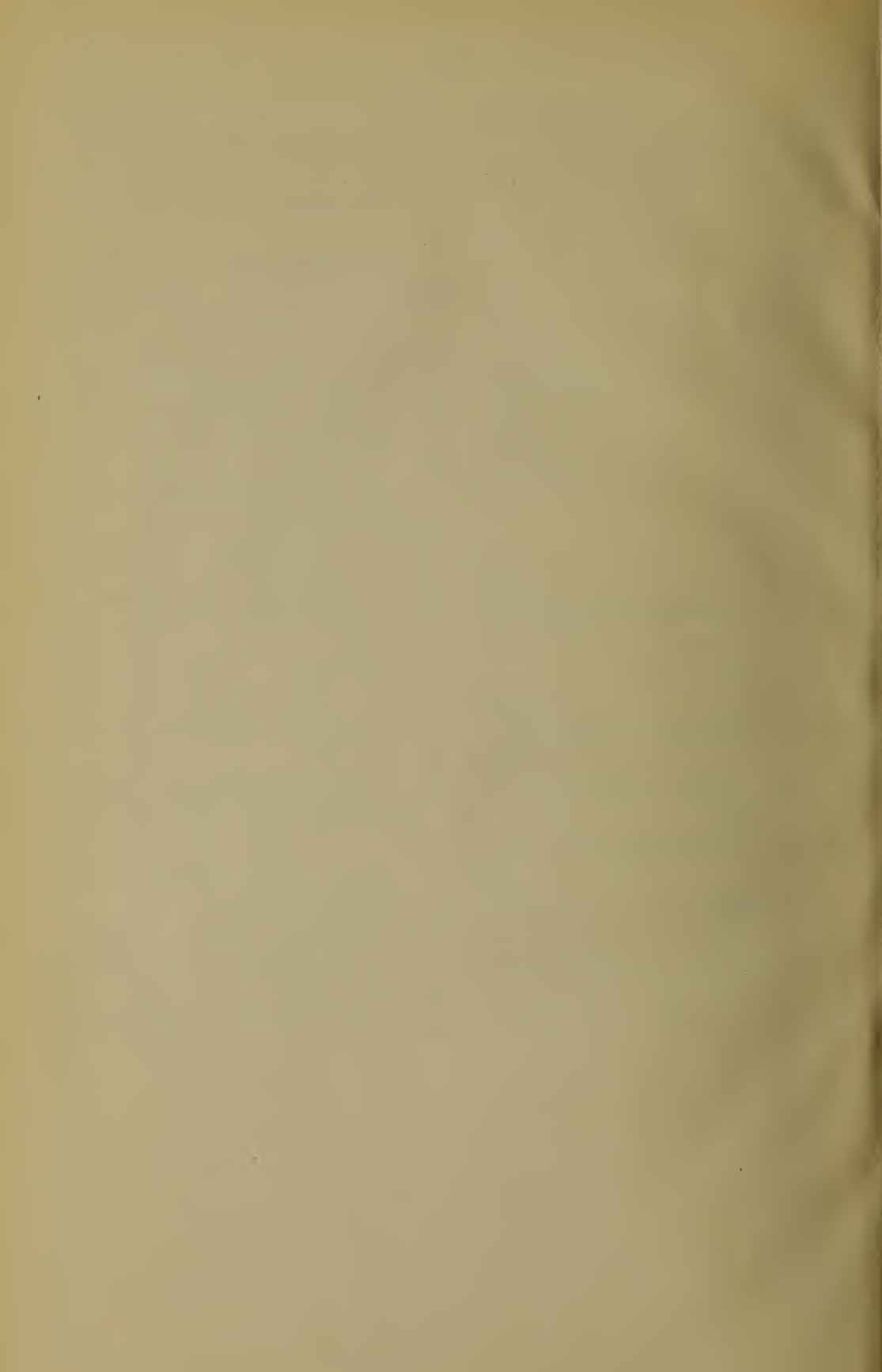
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